



# **DANVILLE AREA COMMUNITY COLLEGE**

Community College District No. 507  
Danville, Illinois

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## **Comprehensive Annual Financial Report**

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FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

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Community College District No. 507  
Danville, Illinois

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FISCAL YEARS ENDED JUNE 30, 2017 AND 2016

Prepared by:  
Finance and Administration Office

Tammy L. Clark-Betancourt  
Chief Financial Officer/Treasurer

### ***MISSION STATEMENT***

*Danville Area Community College is committed to providing quality, innovative, and accessible learning experiences which meet the lifelong academic, cultural and economic needs of our diverse communities and the world we share.*

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
Fiscal Years Ended June 30, 2017 and 2016**

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# INTRODUCTORY SECTION



October 16, 2017

Members of the Board of Trustees, and  
Citizens of Danville Area Community College District No. 507:

The Comprehensive Annual Financial Report (CAFR) of Danville Area Community College, Community College District No. 507 (the College), Counties of Vermilion, Edgar, Iroquois, Champaign, and Ford, State of Illinois, for the fiscal year ended June 30, 2017, is hereby submitted. The CAFR provides a snap shot of the College's financial performance and major initiatives as well as an overview of trends in the local economy. Above all, the report represents the College's commitment to inform members of the Community about the College's finances.

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, of this report rests with the College. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the College. All disclosures necessary to enable the reader to gain an understanding of the College's financial activities in relation to its mission have been included.

## **PROFILE OF THE COLLEGE**

Danville Area Community College is a comprehensive community college operating in accordance with the provisions of the Illinois Public Community Act and is recognized by the Illinois Community College Board (ICCB). The College is accredited by the Higher Learning Commission of North Central Association of Colleges and Schools. While the campus is located in Danville, the College District encompasses high school districts in Vermilion, Edgar, Iroquois, Ford and Champaign counties with an estimated population of 85,000.

## **MISSION, VISION AND CORE VALUES**

Danville Area Community College is committed to student success. The College represents a vital and progressive community resource. Our mission:

Danville Area Community College is committed to providing quality, innovative, and accessible learning experiences which meet the lifelong academic, cultural and economic needs of our diverse communities and the world we share.



Our vision is to continue to be an active partner in building and maintaining the academic excellence and economic vitality of the diverse communities we serve. This vision will be accomplished by:

- Providing a friendly and dynamic environment in which to learn and grow;
- Embracing the ever-changing world of technology;
- Creating a learning culture where assessment of student academic achievement is valued across the institution, departments, and programs;
- Offering an affordable and convenient education for students;
- Promoting a global perspective of education;
- Reflecting diversity and inclusiveness in our students, faculty, and staff;
- Cultivating partnerships with the community to develop innovative and vital solutions to meet changing academic and economic needs;
- Challenging students to explore their full potential through rigorous academics, diverse campus organizations, and innovative career experiences; and
- Enhancing opportunities for student success through comprehensive support services.

Our core values:

***Integrity*** – Trusting relationships and an ethical reputation with those we serve (students, faculty, employees, community, business, other educational institutions, government).

- Being respectful
- Being honest and sincere
- Being fair and reasonable
- Acting responsibly by meeting commitments and obligations
- Remaining true to the academic disciplines

***Excellence*** – Consistently achieving exceptional results that delight those we serve.

- Being accountable through the evaluation and adjustment of our services, processes and programs as needed to assure timeliness, quality, effectiveness, and financial stability
- Providing superior learning experiences and services
- Being learner focused to meet the needs of those we serve
- Encouraging continuous improvement and lifelong learning, growth
- Being innovative and proactive

***Communication*** – Positive and productive relationships and environment for those we serve.

- Openly exchanging thoughts, messages, information and ideas throughout our college and community
- Fostering an environment of belonging, acceptance
- Encouraging participation, involvement and collaboration
- Demonstrating spirit, sound teamwork principles and practices
- Empowering others by enabling them to make decisions, take actions that match their capabilities

**Adaptability** – Continuously meeting the changing needs of those we serve.

- Providing relevant, meaningful educational services
- Being flexible and willing to change
- Developing and demonstrating the competencies, as well as versatility needed for continuing success
- Anticipating and capitalizing on opportunities for growth, success
- Taking appropriate risks that contribute to learning, growth, or ultimate success

**Diversity** – Providing a safe and secure learning environment for the personal and intellectual growth of those we serve, preparing them to participate in an increasingly changing world.

- Promoting and upholding our vision that all are treated with equality, fairness, dignity, and respect
- Delivering a curriculum and services which are inclusive of global considerations and which value the voices, experiences, and worth of a variety of cultural perspectives
- Fostering educational practices which support the learning styles of each unique human being

## **FINANCIAL INFORMATION**

The College maintains its accounts and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America as set forth by the Governmental and Financial Accounting Standards Board (GASB and FASB), National Association of College and University Business Officers (NACUBO) and the Illinois Community College Board (ICCB). The ICCB requires accounting by funds in order that limitations and restrictions on resources can be easily accounted for. The financial records of the College are maintained on the accrual basis of accounting whereby all revenues are recorded when earned and all expenses are recorded when they have been reduced to a legal obligation to pay. The notes of the financial statements expand and explain the financial statements and the accounting principles applied.

### Internal Controls:

Management of the College is responsible for establishing and maintaining internal controls designed to protect the assets of the College, prevent loss from theft or misuse and to provide that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of the control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Budgeting Controls:

The College maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the College's Board of Trustees. The level of budgetary control (that is, the level at which expenditures cannot exceed the appropriated amount) is established for each individual fund. The College also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end. However, encumbrances are only re-authorized as part of the following year's budget when funds are

available and with appropriate administrative approvals. As demonstrated by the statements and schedules included in the financial section of the report, the College continues to meet its responsibility of sound financial management.

## **ECONOMIC CONDITION AND OUTLOOK**

The College's financial position remains strong in spite of the current weakened economy. This is attributed to a large, diverse, stable tax base, low debt burden, sound reserves and financial planning, a long-term strategic financial plan, and reducing expenditures during times of decreasing enrollment and reduced state funding. Over the last ten years, the College's net position has remained stable with a slight increase of approximately \$25,000 from fiscal year 2008 to fiscal year 2017.

### *District Economy:*

The Danville Area Community College district is an important business and agricultural region in east central Illinois, supported by several large manufacturers, distribution centers, healthcare providers, and other service providers, as well as a significant agricultural economy, real estate, education and retail. Some of the largest employers in the district are Vermilion County Public Schools, Department of Veterans Affairs Illiana Healthcare System, ThyssenKrupp (Crankshaft and Presta), McLane Midwest Company, Danville School District No. 118, Vermilion County Government, Quaker Food and Beverages, KIK Custom Products, Presence Health United Samaritans Medical Center, and Genpact.

Unemployment in the Danville Metropolitan Statistical Area has traditionally been relatively modest. It was low in 2008 and 2009 (6.5% and 7.9%) but increased significantly in 2010 (3.5% increase). As in most other U.S. communities, in 2011 the rate increased to its highest point of 12.1% in the last ten years. While 2012 and 2013 the rate was on a downward trend, unfortunately, in 2014 it jumped back up almost 1 percentage point to 10.7%, but is trending downward again at 8.6% for 2015, 7.1% for 2016 and a slight uptick to 7.2% for 2017. Typically as unemployment decreases, enrollment also decreases, which has been the case for the College the last several years. Full-time equivalent enrollment is at pre-2008 levels of below 2,000 and credit hours are less than they were in 2008.

### *Tax Base:*

The District's fiscal year 2016 tax levy base of \$1,016,037,986 experienced an approximate 3.0% increase over the 2015 tax levy base. This increase is attributable to the continued increase in farm property and the addition of wind turbine farms.

The tax base is diverse, with the ten largest taxpayers making up only 6.8% of the EAV. The 2016 EAV was comprised of 44% residential, 30% farm, 16% commercial, 4% industrial and 5% railroad and mineral (includes wind farms). Local property taxes will continue to be a significant source of revenue to the College. During fiscal year 2017, local property taxes accounted for approximately 32% of total operating funds receipts.

### *Net Position and Liquidity:*

Net position decreased from \$52.1 million at the end of fiscal year 2016 to \$49.5 million at the end of 2017. Net position was approximately 170% of total fiscal year 2017 operating expenses. Liquidity is strong, with \$10.5 million of cash and cash equivalents at year-end. An additional indicator of financial strength is the College's Moody's rating. While the College was downgraded

in June of 2017, from a rating of “Aa1” to “A1”, both with a negative outlook, the reason for the downgrade was primarily attributable to the “college’s exposure to the state of Illinois for operating aid which is beginning to erode reserves given the absence of a state budget.” This rating is considered “upper-medium grade” and is the highest rating in that category.

#### College Enrollment:

While enrollment continues to steadily decline, several new strategic initiatives, such as expanding 3 + 1 programs and offering bonus classes, have been developed and implemented in an attempt to counteract this decline. The likely reason for the overall downward trend in the last several fiscal years is due to the corresponding downward trend in unemployment. Unemployment in 2017 was 7.2%.

While the fiscal year 2017 budget was predicated on an overall 4% decrease in credit hours over fiscal 2016, a tuition and fee increase of \$10 was made in summer of 2016 to counter the decline in enrollment as well as to generate additional revenue. With this tuition increase the College’s current per credit hour in-district tuition and fees rate of \$150 is comparable to many other community colleges.

#### State of Illinois:

From July 1, 2015 to July 6, 2017, the State of Illinois had been operating without a budget. The budget that was passed appropriated funds to the College for FY17 and FY18, however, since the appropriation occurred after June 30, 2017, GASB requires that all funds be recorded in the financial statements in FY18. The College’s allocation for FY17 was approximately equal to the allocation received in FY15 and the allocation for FY18 is approximately 50% of the FY15 allocation.

Certainly this appropriation will assist the College in rebuilding the reserves that have been utilized over the last two years. However, the fiscal stability of the State of Illinois remains uncertain at best. The State pension crisis continues to grow and revenues at the State level continue to fall short of planned expenditures. As a result, the future of State funding for the College continues to be a significant concern. Pension reform, if and when implemented, could also have a significant financial impact on the College, specifically if the employer cost is shifted from the State to the College. Strategies that have already been developed for addressing funding shortages continue and new ones are being implemented regularly.

#### Foundation:

The College’s Foundation continues to support the mission of the College and the students. During the past five years, the Foundation has provided significant funds for scholarships, technology support, and support of operating the College Library. A record number of scholarships were awarded for FY17; 534 scholarships were awarded for \$570,204. The Foundation Board is determined to grow its resources despite the negative economic picture, in order to maintain and enhance their level of support to the College and to students through scholarship awards and program enhancements.

### **STUDENT SUCCESS – ACHIEVING THE DREAM**

During fiscal year 2008, the College entered into Achieving the Dream (ATD), a national program designed to promote student success in community colleges. Achieving the Dream, Inc. is a national nonprofit that is dedicated to help more community college students, particularly low-income students, first-time students and students of color, stay in school and earn a college

certificate or degree. Evidence-based, student-centered, and built on the values of equity and excellence, Achieving the Dream is closing achievement gaps and accelerating student success nationwide by: 1) transforming community college practices, 2) leading policy change, 3) generating knowledge, and 4) engaging the public. As a member college of this organization, the College has agreed to engage its faculty, staff, and administrators in a process of continuous inquiry, using data to identify gaps in student achievement and to implement strategies for improving student success. In improving outcomes for these students, research has shown colleges to increase success rates of all students.

In August, 2013, Danville Area Community College was one of eight Achieving the Dream Institutions to have earned Leader College distinction for showing evidence of measurable improvements in student achievements. Leader College Institutions “are showing promising progress in their student success efforts, proving that a concerted effort on broad faculty engagement, professional development, and an overall culture change at the institution is producing tangible results by increasing student persistence and closing achievement gaps”.

The College continues to support student success activities related to Achieving the Dream as excerpted from our “Achieving the Dream Annual Reflection Narrative”:

*Our major initiative over the past year concerning data, technology and student success was the implementation of Ellucian Student Planner. This software is designed to help advisors and students build academic plans toward each student’s specific program of study as well as show how changes to a student’s schedule (such as withdrawing or failing a class) can drastically change future semesters. As a part of the Ellucian Self Service system, Student Planner provides a much more interactive experience for students as well as being mobile friendly and accessible 24/7. Advisors can also use the Student Planner system to record advising session notes and communicate with students about any changes the student may need throughout the registration process. Academic deans can also pull reports showing future courses needed based on student plans to better build upcoming semester schedules. This creates a more effective set of course offerings during uncertain economic times.*

*This past fall, those involved in Student Planner updated aspects of the Colleague system to better tie-in with the new technology while the advisors attended a multi-day training on how to best use the Student Planner software. A small pilot group started using Student Planner during the Spring 2017 registration period with a full roll-out starting with the Summer/Fall 2017 registration period. As part of our Mandatory Advisement Project for Higher Learning Commission, this system uses technology to create a stronger culture of advisement and helps students stay on track to reach their educational goals.*

*One major focus of the ATD Equity and Inclusion sub-team has been introducing the Framework for Understanding Poverty curricula to the DACC campus and the Danville community as a whole. This past year, the sub-team determined that the on-campus Investigations into Economic Class course was not reaching the intended population, but the community Getting Ahead program was meeting a definite need within our Danville Housing system and needed more support.*

*Since late December, DACC officials have met with Housing Authority leadership to address a long list of unmet educational needs for residents of the Fair Oaks complex and other facilities throughout Danville. The goal is to bring DACC services directly to the Housing Authority or else to bring residents to the College more conveniently. This past semester, our Vice President enlisted our Computer Network Director to install a 10-computer classroom in the Housing Authority headquarters that is dedicated to DACC’s*

on-site classes such as GED and computer literacy. Another challenge was to accommodate residents who need classes on the DACC campus but face daunting transportation challenges. The Housing Authority stepped forward to provide a 15-seat minibus for DACC to use to shuttle Housing Authority residents. Our Vermilion County Works Executive Director enlisted federally funded job trainees as drivers. Beginning in the Spring 2017 semester, the first group of twelve GED students began shuttling between the Housing Authority and our campus. The shuttle also runs every hour to the Vermilion County Works Center where, through the GOALS program, they work with clients to establish success plans for personal and professional achievement. The DACC-Housing Authority union is a work in progress, but one that President Nacco thinks will continue to grow over the coming months and years. One of the College's goals for equity last year centered on the need for student voices to be heard by faculty and staff through a student panel during one of our In-Service days. This past January, the Equity and Inclusion sub-team hosted a student panel with three students sharing their stories. Each one came from a slightly different background, but they all had to overcome obstacles to reach their educational goals, and hearing these stories really helped faculty and staff see why equity is a major focus at DACC. The panel was also very well received with 76% of survey responses saying they "Strongly Agree" or "Agree" that the "ATD Equity & Inclusion Student Panel" provided understanding of barriers to success that DACC students encounter.

While the College has not pursued any new or scaled strategies in this area during the past academic year, we have continued several initiatives that have proven to be successful in the past. Over the 2016-2017 academic year, the Teaching and Learning sub-team offered Teaching Excellence Academies during the Faculty and Staff In-Service days and Part-Time Faculty Academies covering several topics. These topics included: "Creating a Classroom Culture that Encourages Student Engagement"; "Scaling Up: Academic Integrity and Standards"; "Creating a Classroom Culture that Encourages Student Engagement"; "DACC Strategic Planning & HLC Reaccreditation Updates"; "Blackboard Course Structure, Content, & Techniques to Encourage Student Engagement"; "Building Community in the Classroom"; HLC Update - Mission Documents & Volunteers & Title IX Updates"; and "Updates at Danville Area Community College—Initiatives and Challenges".

As seen above, the Teaching Excellence Academy presentations for full-time faculty have a higher attendance rate than the Part-Time Faculty Academy presentations. Part-time faculty make up a large percentage of our teaching faculty, but, as is almost always the case, these faculty members also have other jobs that inhibit them from being able to attend the Part-Time Faculty Academy events throughout the year. The Teaching and Learning sub-team has discussed ways to increase part-time faculty engagement and will continue to work on this for the upcoming year.

One way DACC enables key external stakeholders to participate in the student success agenda and improvement of student outcomes is through our Middle College program. Middle College turns around the lives of high-school students who have the brains to succeed, but lack the will and persistence. The program rescues at-risk juniors and seniors who are on the verge of dropping out of high school. Led by the Director of Adult Education, the Middle College staff have served more than 180 students since the program began in 2013. With an average number of 45 in the program each year, these students complete nearly 750 credit hours annually. Almost 150 of the 180 that have been served students passed Middle College courses and achieved their personal goals, which ranged from earning a high-school equivalency to returning to their high school and graduating. Another way we are working with external stakeholders to improve student

outcomes is through the expansion of our 3+1 programs with partnering universities. This past fall, our Director of Counseling and Transfer Articulation worked with Franklin University to provide local and affordable bachelor's programs here in Danville through their online learning programs. What makes the 3+1 programs even better than our 2+2 programs is the ability for students to complete the first three years of their bachelor's degree requirements through DACC and only their final year through Franklin. This partnership means students can earn both an associate's degree and a bachelor's degree for under \$30,000. Currently, we have thirty-six 3+1 agreements with Franklin and hope to expand this in the future. Our nursing students are also able to earn credit toward their bachelor's degree while completing our associate's degree through a dual-enrollment program with Eastern Illinois University. This shortens the amount of time it takes for our nursing students to move from an ADN to a BSN and increases their opportunities after graduation.

This past year, Dr. Nacco suggested a change in our current strategic plan and a move to a Strategic-Planning Matrix model. This document better shows how all upcoming campus goals and initiatives connect to four overarching areas 1) Student Learning, 2) Student Success, 3) Institutional Excellence, and 4) Organizational Advancement. During our October Faculty and Staff In-Service, departments were asked to go through the matrix and record how their offices and programs are contributing to the initiatives. From these contributions, departments created plans with goals and assessments to determine if what they were planning had met the intended goals. These "Closing the Loop" presentations are also being presented at monthly Expanded Administrative Council meetings to make each department accountable for their plans. With the College preparing for our Higher Learning Commission re-accreditation in 2019, this work is important to show how the College is committed to our student success work.

A prime example of how the College has changed policies and practices to remove barriers and foster student completion is through the addition of bonus classes. This past spring semester, DACC launched a pilot program to offer a free-of-charge "bonus class" for students who register for at least 12 credits for the spring semester. The program was our experiment to improve student progress by providing students with an incentive to add an extra class to their schedule, and thereby get to graduation more expeditiously. The project came as a result of collaboration among a number of College leaders, and for the pilot, the group identified eighteen courses to list as bonus course options. To notify students, the College launched email blasts, posted web site notifications, and posted signs throughout the campus. Students in the 2017 graduation cohort received personal telephone invitations to consider a bonus class. The list itself contained an eclectic range of choices from general education requirements, to transfer electives, to career courses for our CTE programs. The spring pilot ended with 29 students taking 67 credit hours and saving a total of \$6,540. This fall, we are offering 36 courses as bonus classes and hope to see a much larger number of students take advantage of this great program.

Another way DACC is working to eliminate barriers to increase student success is through our Second Chance program. Last year, the College's Chief Financial Officer and Controller put together a team to create a way for students who owe past due balances to DACC to come back to school and have their debt to the college forgiven after successful completion of their intended degree or certificate within four years.. The need for a program like this came because DACC has more than 2,000 students who are unable to continue as DACC students because they have a balance owed on their accounts. Through an application process, students are able to share reasons for their past-due balance as well as their plans to pay for classes this time around and their goals for the future. Last summer, the Business office sent letters to all students who had a balance

*that was over two years old letting them know about the Second Chance program and providing them with the application should they want to apply. Of these students, 16 applied and 9 were approved by the Second Chance Team. These students were assigned a mentor and given required steps to complete prior to being allowed to register for the fall semester such as completing the financial aid process to determine potential eligibility, meeting with Career Services to confirm their career choice, and meeting with their mentor to establish a plan for success for the upcoming semester. The program selection process was repeated in the fall, and 11 more students were approved to start classes in the spring semester. While this is the first year for the program and the number of students impacted is small, the Second Chance Team feels that this is a wonderful opportunity for students and will continue to offer this to those who need it in the upcoming year.*

Specific goals and plans for 2016-2017 as also excerpted from our “Achieving the Dream Annual Reflection Narrative” include:

- *With all the Ellucian Student Planner has to offer, we would like to also purchase the Ellucian Student Self Service Financial Aid module to assist our students when applying and verifying their financial aid information. With roughly 80% of our students receiving some form of financial aid, this tool is the next logical step in our technology planning.*
- *Our equity goals for the upcoming year center on expanding our work with the Danville Housing Authority to create more opportunities for those in our community who need access to college and community resources as well as promote equity through all aspects of our student success agenda. The Equity and Inclusion sub-team is also planning a poverty simulation to share at one of our Faculty and Staff In-Service meetings in an effort to continue promoting the idea of awareness and understanding of what some of our students deal with on a daily basis.*
- *One goal the Teaching and Learning sub-team has for the upcoming year is to better educate faculty on the services available to students across campus. With changes in faculty members over the last few years, some faculty are not aware of all of the resources the College has to offer or where exactly to send students if they have an issue. One way the Teaching and Learning sub-team is going to address this is by having a Student Services Expo at the Fall Faculty and Staff In-Service where various offices and services on campus will provide information about what they do and how students can best utilize their areas to be more successful on campus.*
- *A best practice the College is going to investigate over the next year is the switch to offering more 8-week courses. Studies have found that students have higher retention and course success rates when taking 8-week courses versus the traditional 16-week, semester-long, classes. While not all of our courses may fit best in this model, the Enrollment Management Team believes a large portion of our Career and Technical Education programs could move to this system with our Business Office Systems program already looking at making this change over the next year.*
- *Several ATD sub-teams are planning professional development events over the next year to increase communication and understanding about equity and our student success agenda overall. The Equity and Inclusion sub-team is looking at several poverty simulations to determine the most beneficial option for a presentation at one of our Faculty and Staff In-Service meetings, and, as stated above, the Teaching and Learning sub-team is conducting a Student Services Expo during the Fall Faculty and Staff In-Service to increase faculty understanding*



*of the services and resources available to students. Both of these events will continue to keep our student success agenda in the forefront of everyone's minds.*

## **STUDENT SUCCESS – HIGH SCHOOL INITIATIVES**

*Middle College:* Middle College is a student success initiative that is more focused. This is a collaborative effort with local High Schools which provides select students alternative learning opportunities on Campus including mentoring support. Transfer and career courses are included in this program that is designed for juniors and seniors with a history of academic success who have barriers to high school completion.

*College Express:* College Express, now in its thirteenth year, experienced steady enrollments in FY17. This program provides students with career specific dual enrollment opportunities, typically vocational in nature, at the College. Students enrolled in one of these programs can expect to earn up to sixteen (16) credit hours toward an associate degree or certificate. This program is successful due to the strong partnership with the Regional Office of Education, High Schools in our district, Vermilion Vocational Educational Delivery System, and the College.

*Traditional Dual Credit:* In the traditional dual credit program, both university transfer and career courses are included. There is no limit on the number of credit hours a student may earn. Courses are either at the High School, on campus or online.

*Project Lead the Way:* This program is comprised of four courses taken in sequence that satisfy some transfer and some career degree requirements. Students may earn up to fourteen (14) credit hours in pre-engineering courses designed to encourage interest in the engineering field.

## **STUDENT SUCCESS – OTHER LEARNING OPPORTUNITIES**

The College also provides life-long learning through our Adult Education and Corporate and Community Education Divisions. Adult Education provides literacy training, basic education, GED review, English as a second language, American citizenship and basic skills for Math, English and Reading.

The Corporate arm of the Corporate and Community Education Division is committed to serving the training and consulting needs of the business, industrial, labor and professional community. The goal of Corporate Education at Danville Area Community College is to assist effectively business and industry to become world class businesses by joining with them in Total Training Partnerships. The Community Education arm of the Division is dedicated to enhancing and improving the lives of community members by offering courses, workshops, seminars, tours, conferences, and other activities that expand their area of knowledge. Community Education is focused on providing experiences, knowledge, and information to the general public at an affordable cost and is geared toward all ages and educational levels. The goal of Community Education is to provide opportunities for individuals to explore new areas of interest, brush up on skills, and to develop employable skills that is needed and desired by employers.

## **WORKFORCE DEVELOPMENT AND THE AMERICAN JOB CENTER**

Beginning July 1, 2017, the College became the One-Stop Operator for the Local Workforce Area's American Job Center, serving job seekers by managing partner agencies that provide other "wrap around" services and providing the public with seamless services ranging from basic-skills instruction and occupational training to job preparation and placement. Partner agencies include the Department of Human Services, the Department of Rehabilitation Services, and the Illinois Department of Employment Security. As part of this initiative, the College will undergo a

merging of services to share resources in adult education and literacy, high-school equivalency, career services, civics and citizenship, and corporate education.

## **STRATEGIC INITIATIVES**

Other initiatives and program enhancements completed and/or planned for the future are:

- Expanded the 3 + 1 Bachelor's Degree program to include 30 new programs with four year partner universities like Eastern Illinois University or Franklin University
- Developed a pilot "bonus class" program to offer select classes free-of-charge for students who register for at least 12 credit hours
- Enhanced the Student Learning Laboratory on the 5.5 acres of land for use by students in Agriculture, Horticulture, and Biology; includes various vegetables, wildflowers, fruit and nut trees, bee hives and boxes for bluebirds and owls; produce has been given to students, employees and food banks; the land is accessible through a no cost lease between the College and the property owners
- Continued the Second Chance Scholarship Program (a retroactive scholarship) to provide a path for students with past due balances to attend the College
- Improved student payment plans by integrating technology between the College's student information system and the Nelnet payment plan system which allows the student to see the actual amount owed to the College real time
- Partnered with East Central Illinois Community Action Agency to continue the operation of the Volunteer Income Tax Assistance (VITA)
- Continued emphasis on Institutional Effectiveness and Assessment activities.
- A strategic plan matrix for FY18 was created
- Potential addition of the Ellucian Colleague Self-Service Financial Aid module to assist our students when applying and verifying their financial aid information
- Future implementation of the Next Gen scholarship management software which will integrate with Ellucian Colleague and provide for an automated update to the student's account and will enhance recruitment efforts
- Preparation and planning for our next accreditation visit (2018-2019) by the Higher Learning Commission
- Continued "Essential Spending Guidelines" and other cost saving measures in response to the state budget impasse

These programs, projects, and initiative are examples of the College's emphasis on meeting the needs of the community, ensuring quality of student learning, attempting to maintain enrollment levels, and improving student retention and success.

## **FACILITIES**

To continue to meet the increasing demand for hire-ready students in high-demand fields, the College's Master Plan was updated and adopted by the Board of Trustees in February, 2012. It includes over \$11 million of building additions, remodeling, parking lot repairs, roof repairs, building maintenance and the construction of a new storage facility.

An exchange of property with U.S. Department of Veterans Affairs VA Illiniana Healthcare System was approved by Congress, signed by President Barack Obama, and was approved by the U.S. Department of Veterans Affairs. The exchange involves the College transferring 1.06 acres on which a Gazebo is located to the VA and the VA transferring 0.6 acres on which the Carnegie Library is located to the College. A \$2,000,000 planned gift to the Foundation by Julius Hegeler

It will provide for future renovations. On August 31, 2017, the Board of Trustees approved the naming of the Carnegie Library to the Dr. Alice Marie Jacobs Hall – Carnegie Library.

## **OTHER INFORMATION**

### *Independent Audit:*

State statutes require an annual audit by independent certified public accountants. The accounting firm of CliftonLarsonAllen LLP was selected by the College's Board of Trustees. CliftonLarsonAllen LLP, Certified Public Accountants, have issued an unqualified (clean) opinion on Danville Area Community College, Community College District No. 507's CAFR for the year ended June 30, 2017. The independent auditors' report on the financial statements and schedules is included in the financial section of this report.

The College was also subject to the requirements of the federal Uniform Grant Guidance. CliftonLarsonAllen LLP, Certified Public Accountants, have issued unqualified (clean) opinions on both "Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards" and "Compliance for Each Federal Major Program and on Internal Control Over Compliance required by the Uniform Guidance." The required auditors' reports on compliance are included in the federal reporting section of this report.

### *Awards for Financial Reporting:*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Danville Area Community College for its comprehensive annual financial report for the fiscal year ended June 30, 2016. This was the third consecutive year that the College has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the stringent program requirements for the Certificate of Achievement Program's requirements and we are submitting it the GFOA to determine its eligibility for another certificate.

### *Acknowledgements:*

Thanks are to be extended to the Board of Trustees for its continued interest and support in planning and conducting the financial operations of the College with fiscal integrity. In addition, the timely preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the Business Office led by the College's Controller, Mrs. Debra Knight. Each member of the Business Office has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

/s/Dr. Stephen Nacco

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Dr. Stephen Nacco  
President

/s/Tammy L. Clark-Betancourt

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Tammy L. Clark-Betancourt  
Chief Financial Officer/Treasurer

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
LIST OF PRINCIPAL OFFICIALS**

**BOARD OF TRUSTEES**

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Mr. David W. Harby	Chair	2023
Dr. Ronald E. Serfoss	Vice-chair	2019
Mr. William B. Black	Trustee	2021
Mr. Terry T. Hill	Trustee	2023
Mrs. Tonya S. Hill	Trustee	2021
Mr. John Spezia	Trustee	2023
Mr. Greg Wolfe	Trustee	2019
Ms. Sadie Edwards	Student Trustee	2018

**OFFICERS OF THE COLLEGE**

<u>Name</u>	<u>Position</u>
Dr. Stephen Nacco	President
Mrs. Tammy L. Clark-Betancourt	Board Treasurer/Vice President of Finance and Chief Financial Officer
Mrs. Kerri Thurman	Board Secretary/Executive Assistant to the President
Mr. Dave Kietzmann	Executive Vice President of Instruction and Student Services

**OFFICIAL ISSUING REPORT**

Mrs. Tammy L. Clark-Betancourt	Board Treasurer/Vice President of Finance and Chief Financial Officer
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**DIVISION ISSUING REPORT**

Finance and Administration



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

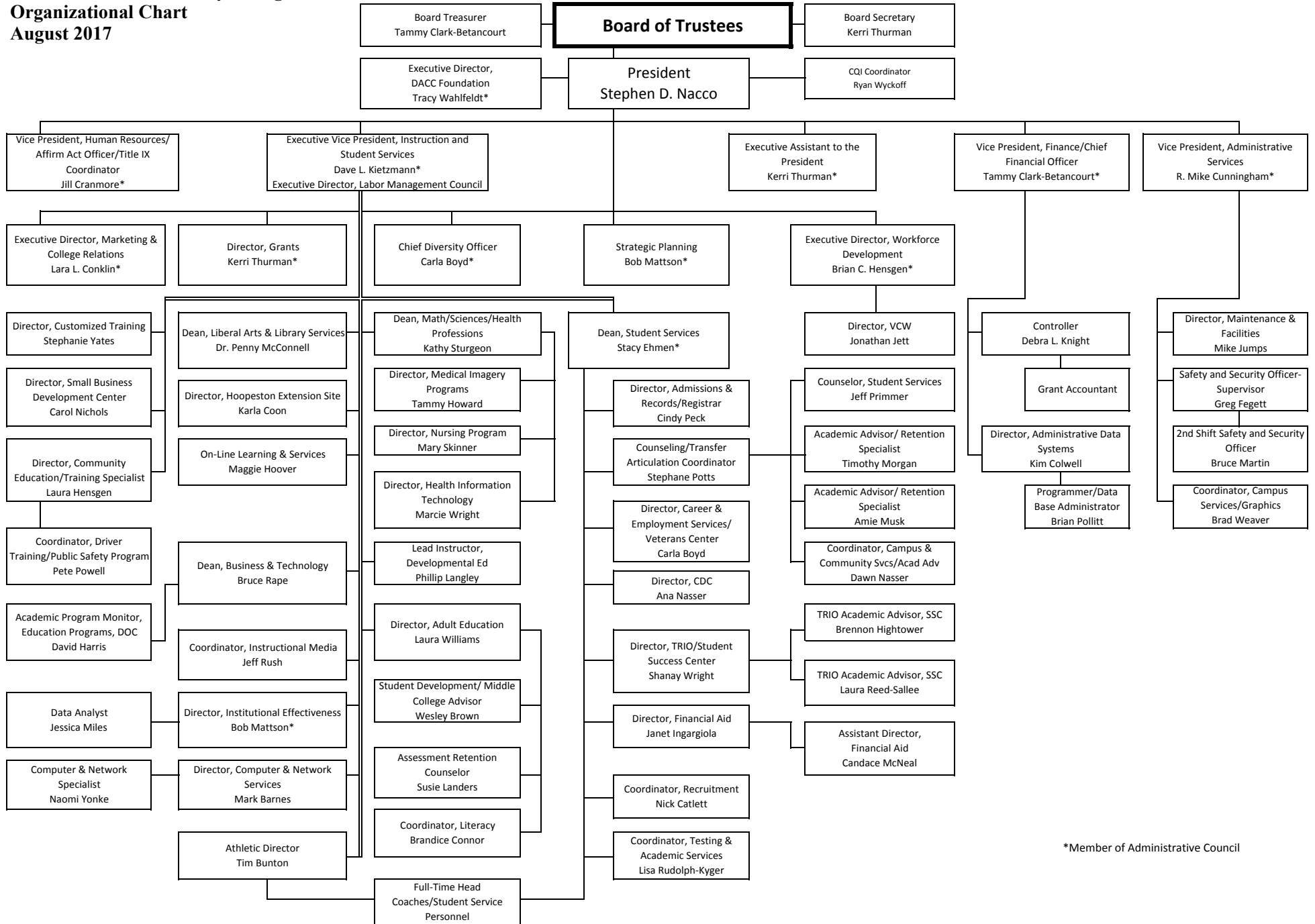
**Danville Area Community College  
Community College District No. 507  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

Executive Director/CEO

**Danville Area Community College**  
**Organizational Chart**  
**August 2017**



\*Member of Administrative Council

# FINANCIAL SECTION



## Independent Auditors' Report

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

### Report on the Financial Statements

We have audited the accompanying basic financial statements of the business-type activities and discretely presented component unit of Danville Area Community College, Community College District No. 507 (College) as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on the basic financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the College's component unit were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of Danville Area Community College as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 20 through 28 and the defined benefit pension plan information on page 64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary financial information on pages 91 through 97 and the Uniform Financial Statements on pages 98 through 104 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary financial information, Uniform Financial Statements, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Board of Trustees  
Danville Area Community College  
Community College District No. 507

The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report October 16, 2017 on our consideration of the Danville Area Community College, Community College District No. 507's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Danville Area Community College, Community College District No. 507's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Danville Area Community College, Community College District No. 507's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

### **Introduction**

This section of Danville Area Community College's Audit Report presents the College's financial information in a condensed financial presentation format for the current and previous two fiscal years. It is designed to provide an overview about the changes in financial activities over a three-year period. This discussion should be read in conjunction with the transmittal letter (pages 1 - 13) and the College's basic financial statements (pages 29-34). Responsibility for the completeness and fairness of this information rests with the College.

The discussion and analysis contains financial activities of Danville Area Community College. The component unit, Danville Area Community College Foundation, has separately issued audited financial statements which should be referenced for detailed information.

The three financial statements discussed are: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. These statements are designed to emulate corporate presentation models whereby all College financial activities are consolidated into one total.

### **Financial Highlights**

The College's financial position at June 30, 2017 shows assets at \$56.4 million, liabilities at \$6.9 million and net position at \$49.5 million. Net position represents the balance in the College's assets and deferred outflows after liabilities and deferred inflows are deducted.

For the year ended June 30, 2017, the College recorded total operating revenue of \$4.7 million which is defined as net tuition and fees, and auxiliary revenues. The total operating expenses are \$29.7 million. This difference produced an operating loss of \$25 million. Net non-operating revenue is \$22.4 million, which includes the major categories of government grants and contracts, and local property taxes. The resulting overall decrease in net position was \$2.6 million.

Of this \$2.6 million decrease, \$2.0 million was planned through the budgeting process for FY17 to utilize reserves as a result of the budget impasse at the state level. The remaining \$.6 million decrease is due to the reduction of capital assets net of depreciation.

Operating revenue accounted for 17.3% of the College's total revenue, while non-operating revenues accounted for the remaining 82.7% of the College's total revenue. Operating revenue consisted of tuition and fees, net of scholarships, which totaled \$4.1 million and auxiliary enterprise and miscellaneous revenues which totaled \$0.6 million. Non-operating revenue included local property taxes and personal property replacement taxes of \$6.8 million, state appropriations of \$2.3 million, federal grants and local contracts of \$5.4 million, and other miscellaneous revenue of \$7.8 million.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Statement of Net Position

The Statement of Net Position presents the assets and deferred outflows, liabilities and deferred inflows and net position of the College at fiscal year-end, June 30, 2017. The purpose of this statement is to present a snapshot of the financial condition of the College and classifies assets and liabilities into current and non-current categories. Total net position, which is the difference between total assets and deferred outflows and total liabilities and deferred inflows, is one of the indicators of the current financial condition of the College.

The assets and liabilities are categorized between current and non-current. The difference is current assets and liabilities mature or become payable within the 12 month accounting or operating cycle as compared to non-current which mature or become payable after 12 months. The College's current assets consist primarily of cash, property taxes receivable, and student accounts receivable. Non-current assets consist of capital assets, which are the property, plant, and equipment owned by the College, net of any related accumulated depreciation.

Net position is presented in three major categories. The first is net investment in capital assets, which is a \$31.9 million net investment in property, plant, and equipment after deducting the outstanding technology and equipment funding bond principal obligations and capital lease obligations. This represents approximately 64.4% of the total net position. The College uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

The second category is restricted net position. These assets, \$9.9 million, are funds that are limited in terms of the purpose and time for which they can be spent. Restricted net position is further categorized between expendable and non-expendable. Restricted expendable net position is available to be spent by the College with adherence to externally imposed rules and regulations. This category includes the funds restricted for the 25% matching share of implementing the Campus Master Plan; the Protection, Health, Safety Projects; the principal and interest payments for the Technology/Equipment Bonds and Construction Bonds; the various federal and state grants awarded to the College; the Working Cash principal; the funds provided for the annual audit; and the Tort Liability Settlement Fund.

The third category is unrestricted net position. These assets of \$7.7 million are available for any lawful purpose that supports the mission of the College. Included in this amount are internal Board Restricted Funds reserved for specific purposes in the amount of \$4.8 million. The major accounts in the reserves provide additional funding support for one-time future expenditures such as the support for the Campus Master Plan, support for the Management Information System, building and grounds repair and maintenance, SURS/Retirement cost support, and equipment replacement.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following chart is a summary of the College's net position at June 30, 2017, 2016 and 2015.

	(In Millions)		
	FY2017	FY2016	FY2015
Current Assets	\$ 18.9	\$ 20.9	\$ 22.9
Noncurrent Assets			
Capital Assets, net of depreciation	37.5	39.1	40.7
Other	0.0	0.0	0.0
Total Assets	56.4	60.0	63.6
Current Liabilities	2.1	2.3	2.4
Noncurrent Liabilities	4.9	5.6	5.4
Total Liabilities	6.9	7.9	7.8
Net investment in capital assets	31.9	33.0	35.1
Restricted:			
Expendable	9.9	9.8	8.8
Nonexpendable	0.0	0.0	0.0
Unrestricted	7.7	9.3	11.9
Total Net Position	\$ 49.5	\$ 52.1	\$ 55.8

### Fiscal Year 2017 compared to 2016

The value of net position was \$2.6 million less at the end of FY17 as compared to the prior year. Of this \$2.6 million decrease, \$2.0 million was planned through the budgeting process for FY17 to utilize reserves as a result of the budget impasse at the state level. The remaining \$.6 million decrease is due to the reduction of capital assets net of depreciation.

### Fiscal Year 2016 compared to 2015

The value of net position was \$3.7 million less at the end of FY16 as compared to the prior year. The major reason for the decrease in net position during FY16 when compared to the previous year is due to an unplanned reduction in state appropriations due to the budget impasse at the State and a reduction in capital assets net of depreciation.

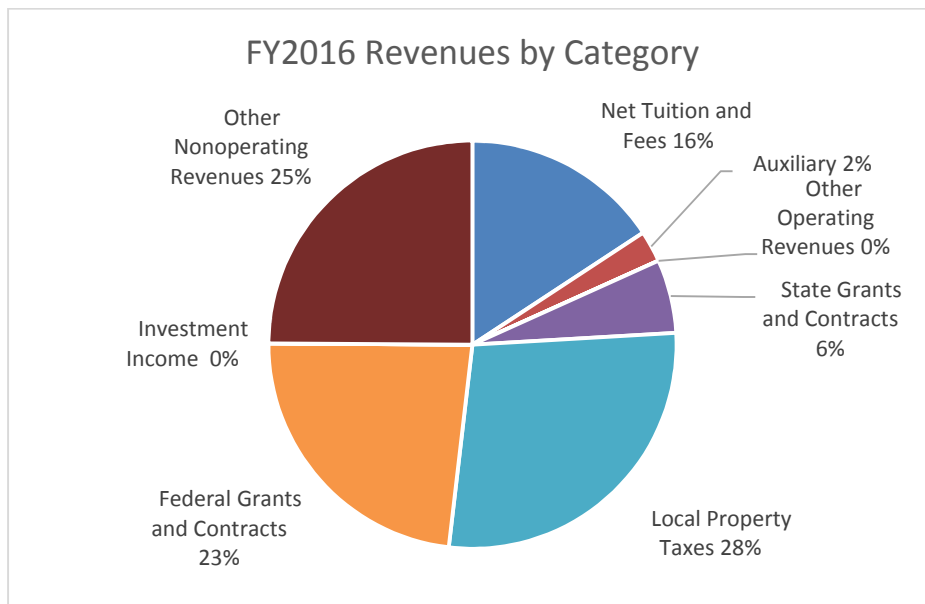
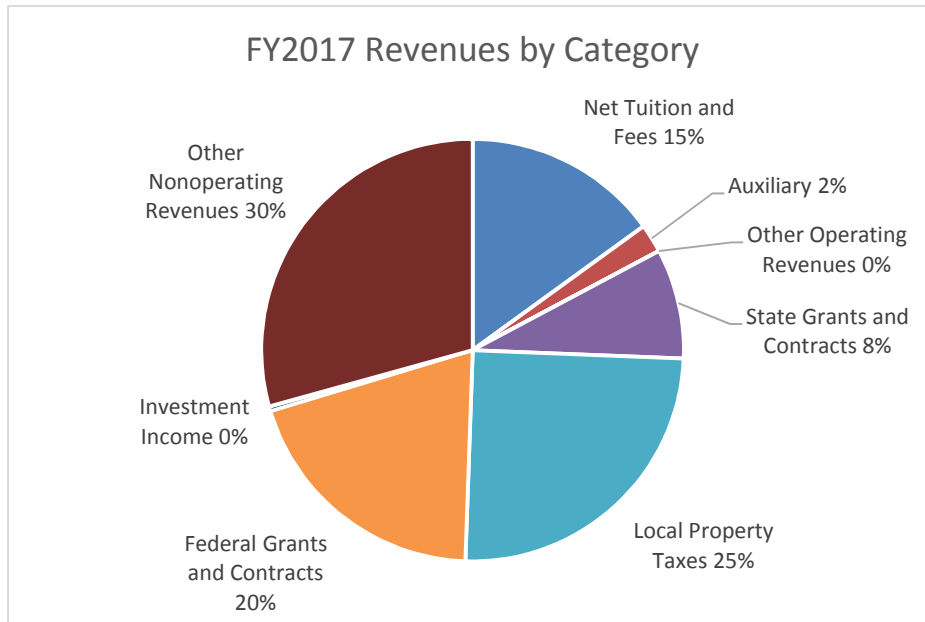
### **Statement of Revenues, Expenses, and Changes in Net Assets**

The Statement of Revenues, Expenses and Changes in Net Position presents the revenue earned and expense incurred during the year. Activities are reported as either operating or nonoperating.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The primary operating revenues are tuition and fees, which are stated net of scholarship waivers, and auxiliary revenues. The auxiliary revenues are commissions from the externally operated bookstore operations and service fees charged by the Child Development Center.

The major components of *nonoperating* revenues include government grants and contracts, and local property tax revenues. The reporting model classifies these revenues as *nonoperating* since no direct exchange of goods and services are received by the government or local taxpayers, respectively. Therefore, the College's dependency on government grants and local property tax revenues, which are both classified as *nonoperating*, will result in operating deficits.



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following schedule is a summary of the College's operating results for fiscal years 2017, 2016, and 2015.

### Summary of Operating Results

	(In Millions)		
	<u>FY2017</u>	<u>FY2016</u>	<u>FY2015</u>
Operating Revenues			
Net Tuition and Fees	\$ 4.1	\$ 3.8	\$ 3.7
Auxiliary	0.6	0.6	0.6
Other	0.0	0.0	0.0
Total Operating Revenue	<u>4.7</u>	<u>4.4</u>	<u>4.3</u>
Less Operating Expenses (see detail in following chart)	<u>29.7</u>	<u>27.8</u>	<u>28.0</u>
Net Operating Loss	<u>(25.0)</u>	<u>(23.4)</u>	<u>(23.7)</u>
Nonoperating Revenue			
State Grants and Contracts	2.3	1.4	5.0
Local Property Taxes	6.8	6.7	6.5
Federal Grants and Contracts	5.4	5.6	6.0
Investment Income	(0.1)	0.0	0.0
Other	8.0	6.0	4.8
Total Nonoperating Revenue	<u>22.4</u>	<u>19.7</u>	<u>22.3</u>
Increase (decrease) in Net Position	(2.6)	(3.7)	(1.4)
Net Position, Beginning of Year	<u>52.1</u>	<u>55.8</u>	<u>57.2</u>
Net Position, End of Year	<u>\$ 49.5</u>	<u>\$ 52.1</u>	<u>\$ 55.8</u>



## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Detail of Operating Expenditures by Classification and Function

	(In Millions)		
	FY2017	FY2016	FY2015
<b>Operating Expenditures by Classification</b>			
Salaries and benefits	\$ 22.2	\$ 20.4	\$ 19.4
Supplies and Other Services	3.4	3.4	4.3
Scholarships	1.4	1.2	1.3
Depreciation	1.9	2.0	2.1
Utilities	0.8	0.8	0.8
Other	0.0	0.0	0.1
<b>Total Operating Expenditures</b>	<b>\$ 29.7</b>	<b>\$ 27.8</b>	<b>\$ 28.0</b>
<b>Operating Expenditures by Function</b>			
Instruction	\$ 7.9	\$ 8.2	\$ 8.3
Academic Support	1.0	1.1	1.1
Student Services	2.0	2.0	1.9
Public Service	1.1	1.0	1.5
Operation and Maintenance of Plant	2.2	2.2	2.4
Institutional Support	4.0	3.8	4.0
Scholarships	1.6	1.4	1.4
Auxiliary Expense	0.5	0.5	0.5
Depreciation	1.9	2.0	2.1
Other	7.5	5.6	4.8
<b>Total Operating Expenditures</b>	<b>\$ 29.7</b>	<b>\$ 27.8</b>	<b>\$ 28.0</b>

The majority of the expenditures of the College are classified as operating expenses. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the costs of an asset over its expected useful life. Therefore, the purchase cost of fixed assets which exceed the capitalization threshold policy is not included as an expense.

#### Fiscal Year 2017 compared to 2016

Nonoperating Revenue reflects an increase of \$2.7 million, of which \$.9 million is the result of stopgap state funding. This funding was approximately 50% of FY15 state appropriations due the budget impasse at the state level. The remaining increase is due to an approximate \$1.8 increase in on-behalf payments from the State of Illinois retirement contributions. Other nonoperating revenue line items remained stable.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

Operating Expenses increased \$1.9 million in FY2017. The primary reason for the increase was an increase of \$1.9 million in on-behalf payments, net of the change in deferred outflows, from the State of Illinois for retirement contributions. Health insurance premiums also increased and an annual salary increase was provided for faculty. The out of state travel freeze and essential spending guidelines remained in place.

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$2.6 million to a level of \$49.5 million at June 30, 2017.

### Fiscal Year 2016 compared to 2015

Nonoperating Revenue reflects a decrease of \$2.6 million, which is the result of an unplanned decrease in state appropriations due to the budget impasse at the State. Enrollment has been declining, however tuition has been increased in each of the last three fiscal years to help offset the enrollment decline. Fortunately, the Equalized Assessed Valuation of the taxing district has increased the last three years, providing for additional local property tax revenue.

Operating Expenses decreased slightly in FY2016. The decrease was due to eliminating several full-time and part-time positions, as well as reducing expenses by implementing an out of state travel freeze and essential spending guidelines. These measures were implemented mid fiscal year as a result of the state budget impasse. Even with the position eliminations, salary and benefits increased due to an increase of \$1.0 million in on-behalf payments from the State of Illinois for retirement contributions, as well as an increase in health insurance premiums in January of 2016. In addition, the College continued to support retaining quality Faculty and Staff with annual salary increases for FY2016.

The fluctuations previously discussed resulted in the College's net position decreasing from the prior year by \$3.7 million to a level of \$52.1 million at June 30, 2016.

### **Statement of Cash Flows**

The Statement of Cash Flows identifies the sources and uses of cash by the major categories of operating, noncapital financing, capital and related financing, and investing activities. This statement also emphasizes the College's dependence on government grants and local property taxes. The following is a summary of the statement of cash flows for the year ended June 2017, June 2016, and June 2015.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Statement of Cash Flows

	(In Millions)		
	FY2017	FY2016	FY2015
Cash provided (used) by:			
Operating activities	\$ (15.8)	\$ (15.9)	\$ (17.3)
Non-capital financing activities	15.2	14.6	17.8
Capital and related financing activities	(1.3)	(0.4)	(2.2)
Investing activities	0.1	0.0	0.1
Net Increase/(Decrease) in Cash	(1.8)	(1.7)	(1.6)
Cash, beginning of the year	12.3	14.0	15.5
Cash, end of the year	\$ 10.5	\$ 12.3	\$ 14.0

#### Fiscal Year 2017 compared to 2016

The \$1.8 million decrease in cash and cash equivalents at the end of FY17 as compared to FY16 was due primarily to the unplanned increases in health insurance and other benefits of approximately \$685,000. Additional decreases related to the decrease in governmental receivables of approximately \$400,000.

#### Fiscal Year 2016 compared to 2015

The \$1.7 million decrease in cash and cash equivalents at the end of FY16 as compared to FY15 was due primarily to the unplanned decrease in state appropriations of approximately \$2.6 million.

### **Capital Assets**

#### FY2017

As of June 30, 2017, the College had recorded \$82.0 million invested in capital assets, \$44.5 million in accumulated depreciation and \$37.5 million in net capital assets. During FY2017, capital assets decreased by \$1.6 million. The decrease is due to less asset additions and more asset deletions in the current year, along with a depreciation expense of \$1.9 million. See Note 3 for additional information.

#### FY2016

As of June 30, 2016, the College had recorded \$81.7 million invested in capital assets, \$42.6 million in accumulated depreciation and \$39.1 million in net capital assets. During FY2016, capital assets decreased by \$1.6 million. The decrease is due to less asset additions in the current year, coupled with a depreciation expense of \$2.0 million.

Additional information on capital assets can be found in Note 3 of the financial statements on pages 43-44.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Debt Administration

The total balance outstanding at June 30, 2017 for all of the College's various Working Cash, Technology/Equipment and Construction Bonds is \$5,515,000.

During fiscal year 2016 the College issued \$1,000,000 in General Obligation Funding Bonds to provide continuing funding of the four to five year recycling plan of updating existing technology, new or updated instructional equipment and funds for deferred maintenance capital projects.

In previous fiscal years the College issued two separate Working Cash bond issues for a total of \$2,000,000, increasing the Working Cash Fund to almost \$5.5 million, which should provide sufficient cash balances to weather the state's current negative financial status.

The College's rating of "**Aa2**" from Moody's Investor Services for bonds issued in fiscal year 2013 was reviewed in June of 2017. The result was a downgrade to "**A1**" with the outlook remaining negative. The downgrade, according to the Moody's report, *"reflects the college's exposure to the state of Illinois for operating aid which is beginning to erode reserves given the absence of a state budget. The rating also incorporates the college's limited financial flexibility given it is levying at statutory rate caps. While the college has the legal ability to increase tuition, its practical ability is limited by a declining enrollment trend and below average demographic profile. The rating also considers the district's large, stable tax base and low debt burden."*

Additional information on long-term debt activity can be found in Note 4 of the financial statements on pages 45-49.

### Other

On July 6, 2017, the Illinois legislature passed into law Public Act 100-0021. This legislation provided funding for the Illinois Community College system for both fiscal years ending June 30, 2017 and 2018. The College's portion of this funding for the fiscal year ended June 30, 2017 was \$2,171,382. Government Accounting Standards Board (GASB) Statement 33 Accounting and Financial Reporting for Nonexchange Transactions states in paragraph 24, "When the provider is a government, the applicable period for both the provider and the recipients is the *provider's* fiscal year and begins on the first day of that year (when, for example, the relevant appropriation becomes effective)". Public Act 100-0021 (Act) states that the appropriation for fiscal year ended June 30, 2017 takes effect immediately upon becoming law. The Act became law when passed by the Illinois legislature on July 6, 2017. Since the Act did not exist at June 30, 2017, the College did not record the revenue and receivable in the year ended June 30, 2017, thus it will be recognized in the year ended June 30, 2018.

### Contacting the College's Financial Management

This financial report is designed to provide our constituents and other interested parties with a general overview of the College's finances and to demonstrate accountability for the resources we receive, both financial and those non-financial in nature. For further information regarding this report contact Tammy L. Clark-Betancourt, Vice President of Finance and Chief Finance Officer/Treasurer, at Danville Area Community College, Community College No. 507, 2000 East Main Street, Danville, IL 61832.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATEMENTS OF NET POSITION  
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS:</b>		
Current assets:		
Cash	\$ 10,487,632	\$ 12,300,666
Property taxes receivable, net of allowance 2017 and 2016 \$-0-	6,098,808	6,012,059
Student tuition and fees, net of allowance 2017 \$1,765,844 and 2016 \$1,609,719	1,098,673	1,064,284
Government claims receivable	817,279	1,183,251
Other accounts receivable, net	251,859	203,958
Other	<u>138,350</u>	<u>72,681</u>
Total current assets	18,892,601	20,836,899
Non-current assets:		
Capital assets, net of accumulated depreciation 2017 \$44,469,104 and 2016 \$42,624,150	<u>37,502,520</u>	<u>39,090,841</u>
Total assets	<u>56,395,121</u>	<u>59,927,740</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Subsequent year's pension expense related to federal, trust, or grant contributions in the current year	<u>63,075</u>	<u>64,668</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	247,007	238,396
Accrued expenses	471,839	545,807
Due to student groups	-	8,339
Deposits held in custody for others	1,547	140,110
Unearned tuition revenue	310,669	303,896
Unearned grant revenue	26,083	11,568
Bonds payable, current maturities	715,000	755,000
Capital lease obligations, current maturities	53,144	51,700
Accrued compensated absences, current	<u>240,000</u>	<u>270,000</u>
Total current liabilities	<u>2,065,289</u>	<u>2,324,816</u>
Non-current liabilities:		
Bonds payable, less current maturities above	4,800,000	5,515,000
Capital lease obligations, less current maturities above	11,150	64,294
Accrued compensated absences	<u>65,121</u>	<u>28,167</u>
Total noncurrent liabilities	<u>4,876,271</u>	<u>5,607,461</u>
Total liabilities	<u>6,941,560</u>	<u>7,932,277</u>
<b>NET POSITION</b>		
Net investment in capital assets	31,923,226	32,954,847
Restricted and expendable for:		
Capital projects	1,668,655	1,636,621
Working cash	5,429,723	5,179,723
Debt service	758,848	766,898
Grant purposes	1,073,262	1,194,007
Audit purposes	42,754	35,348
Liability insurance	939,510	1,015,161
Unrestricted	<u>7,680,658</u>	<u>9,277,526</u>
Total net position	<u>\$ 49,516,636</u>	<u>\$ 52,060,131</u>

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>OPERATING REVENUES</b>		
Student tuition and fees, net of scholarship allowance 2017 \$2,784,432 and 2016 \$3,108,861	\$ 4,123,692	\$ 3,795,210
Auxiliary enterprises revenues	554,770	583,445
Other operating revenues	<u>36,450</u>	<u>16,913</u>
Total operating revenues	<u>4,714,912</u>	<u>4,395,568</u>
<b>OPERATING EXPENSES</b>		
Instruction	7,891,261	8,153,578
Academic support	968,749	1,091,578
Student services	2,029,366	1,955,524
Public service	1,099,860	1,044,724
Operation and maintenance of plant	2,176,316	2,218,289
Institutional support	4,004,006	3,795,615
Scholarships	1,610,882	1,421,511
Auxiliary enterprises expenses	461,973	507,939
On-behalf payments	7,544,386	5,658,291
Depreciation	<u>1,879,881</u>	<u>1,974,482</u>
Total operating expenses	<u>29,666,680</u>	<u>27,821,531</u>
Operating loss	<u>(24,951,768)</u>	<u>(23,425,963)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
State grants and contracts	2,267,118	1,438,607
Local property tax revenues	6,215,639	6,111,782
Personal property replacement tax	622,143	564,193
Federal grants and contracts	5,433,046	5,590,168
Local grants and contracts	13,922	68,183
Investment income earned	110,319	73,257
Interest expense	(206,395)	(214,816)
On-behalf payments	7,542,793	5,716,032
Other non-operating revenues	409,688	310,111
Gain on disposal of assets	-	7,000
Total non-operating revenues	<u>22,408,273</u>	<u>19,664,517</u>
<b>DECREASE IN NET POSITION</b>	(2,543,495)	(3,761,446)
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>52,060,131</u>	<u>55,821,577</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 49,516,636</u>	<u>\$ 52,060,131</u>

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Student tuition and fees	\$ 4,096,076	\$ 3,630,948
Payments to suppliers	(4,016,045)	(3,904,935)
Payments to employees and benefits paid	(14,850,010)	(14,818,572)
Payments for financial aid and scholarships	(1,610,882)	(1,421,511)
Auxiliary enterprise charges:		
Bookstore and childcare	<u>554,770</u>	<u>583,445</u>
Net cash used in operating activities	<u>(15,826,091)</u>	<u>(15,930,625)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Local property taxes	6,128,891	5,872,937
State grants and contracts	3,456,579	2,496,626
Federal grants and contracts	5,621,921	6,206,497
Direct lending receipts	982,392	822,222
Direct lending payments	<u>(982,392)</u>	<u>(822,222)</u>
Net cash provided by noncapital financing activities	<u>15,207,391</u>	<u>14,576,060</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of capital assets	(291,560)	(380,481)
Principal paid on bonds payable/capital debt	(755,000)	(725,000)
Principal paid on capital lease obligations	(51,700)	(49,389)
Interest paid on bonds payable/capital debt	(206,395)	(214,815)
Proceeds from bonds issued	<u>-</u>	<u>1,000,000</u>
Net cash used in capital and related financing activities	<u>(1,304,655)</u>	<u>(369,685)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>110,321</u>	<u>73,526</u>
<b>NET DECREASE IN CASH</b>	(1,813,034)	(1,650,994)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>12,300,666</u>	<u>13,951,660</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 10,487,632</u>	<u>\$ 12,300,666</u>

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating loss	\$(24,951,768)	\$ (23,425,963)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	1,879,881	1,974,482
State on-behalf payments	7,542,793	5,714,551
Changes in deferred outflows of resources	1,593	(1,481)
Changes in assets and liabilities:		
Receivables	(34,389)	(75,290)
Other assets	(65,669)	17,703
Accounts payable	8,611	91,916
Accrued liabilities	(213,916)	(137,571)
Unearned revenue	<u>6,773</u>	<u>(88,972)</u>
Net cash used in operating activities	<u>\$ (15,826,091)</u>	<u>\$(15,930,625)</u>

The accompanying notes are an integral part of the financial statements.



**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
COMPONENT UNIT  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 329,371	\$ 517,788
Investments	10,982,295	9,988,220
Beneficial interests in trusts	1,084,067	1,044,769
Land held for investment	2,851,509	2,851,509
Building, net	<u>50,000</u>	<u>57,125</u>
<b>TOTAL ASSETS</b>	<u>\$ 15,297,242</u>	<u>\$ 14,459,411</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	<u>\$ 25,172</u>	<u>\$ 33,884</u>
<b>NET ASSETS</b>		
Unrestricted:		
General Operating	427,696	413,060
Board Designated	<u>1,933,900</u>	<u>1,776,986</u>
Total Unrestricted	<u>2,361,596</u>	<u>2,190,046</u>
Temporarily restricted:		
Scholarship	5,464,460	4,970,996
Library	956,609	972,331
Frontline 2000	<u>121,046</u>	<u>193,860</u>
Total Temporarily Restricted	<u>6,542,115</u>	<u>6,137,187</u>
Permanently restricted		
Faculty	307,845	304,845
Scholarship	4,976,447	4,748,680
Trust	<u>1,084,067</u>	<u>1,044,769</u>
Total Permanently Restricted	<u>6,368,359</u>	<u>6,098,294</u>
Total net assets	<u>15,272,070</u>	<u>14,425,527</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 15,297,242</u>	<u>\$ 14,459,411</u>

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
COMPONENT UNIT  
STATEMENTS OF ACTIVITIES  
Years Ended June 30, 2017 and 2016**

	<u>2017</u>	<u>2016</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
Revenues, gains and other support:		
Contributions	\$ 46,842	\$ 18,543
Investment income	204,004	(14,257)
Net assets released from prior year's restrictions	<u>1,112,096</u>	<u>1,100,879</u>
Total unrestricted revenue, gains, and other support	<u>1,362,942</u>	<u>1,105,165</u>
Expenses and losses:		
Program services expenses:		
Scholarships, awards and projects	723,205	665,326
Other program services	<u>254,980</u>	<u>225,053</u>
Total program services expenses	<u>978,185</u>	<u>890,379</u>
Supporting services:		
Management and general	147,606	141,728
Fundraising	<u>65,601</u>	<u>57,218</u>
Total supporting services	<u>213,207</u>	<u>198,946</u>
Total expenses	<u>1,191,392</u>	<u>1,089,325</u>
Increase in unrestricted net assets	<u>171,550</u>	<u>15,840</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Contributions	464,492	3,797,411
Investment income	964,370	(65,173)
Other income	88,162	4,253
Net assets released from prior year's restrictions	<u>(1,112,096)</u>	<u>(1,100,879)</u>
Increase in temporarily restricted net assets	<u>404,928</u>	<u>2,635,612</u>
<b>CHANGES IN PERMANENTLY RESTRICTED NET ASSETS</b>		
Contributions	230,767	897,230
Investment income (loss)	<u>39,298</u>	<u>(112,046)</u>
Increase in permanently restricted net assets	<u>270,065</u>	<u>785,184</u>
<b>INCREASE IN NET ASSETS</b>	846,543	3,436,636
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>14,425,527</u>	<u>10,988,891</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 15,272,070</u>	<u>\$ 14,425,527</u>

The accompanying notes are an integral part of the financial statements.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Danville Area Community College, Community College District No. 507 (College) is an accredited public two-year community college providing higher education opportunities for youth and adults in East Central Illinois. Established initially as an extension center of the University of Illinois in 1946, the College became a public junior college named Danville Community College under Danville Public Schools in 1949. In 1951, the name was changed to Danville Junior College. In June of 1966, the College separated from Danville School District No. 118 under provisions of the Public Junior College Act and became an independent two-year area college under the control of the Board of Trustees of Junior College District No. 507. The name Danville Junior College was changed to Danville Area Community College on July 1, 1979, to be more reflective of the services rendered. The College district encompasses high school districts in Vermilion, Edgar, Iroquois, Ford, and Champaign counties with an estimated population of 85,000.

The Board of Trustees is the College's ruling body which establishes the policies and procedures by which the College is governed.

**REPORTING ENTITY**

Danville Area Community College, Community College District No. 507 is governed by an elected eight-member Board of Trustees. As required by generally accepted accounting principles, these basic financial statements present the financial position and results of operations of Danville Area Community College, Community College District No. 507 (the primary government).

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as its component unit, the Danville Area Community College Foundation (Foundation).

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and consists of local professionals and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources or income thereon that the Foundation holds and invests is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**REPORTING ENTITY (Continued)**

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standard's Board (FASB) Accounting Standards Codification (ASC). Most significant to the Foundation's operations and reporting models is FASB ASC 958 related to accounting for contributions received and financial reporting for not-for-profit organizations. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences. However, significant note disclosures (See Note 10) to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. Financial statements for the Foundation can be obtained by calling the Foundation at (217) 443-8443.

The economic resources held by the College do not directly benefit any organizations which would be considered a primary government. The College is not financially integrated or closely related to another governmental entity. In addition, the College is not aware of any entity which would be financially accountable for the College. Based on this criteria, the College is not considered to be a component entity of another entity.

**BASIS OF ACCOUNTING**

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency and intra-fund transactions have been eliminated. Non-exchange transactions, in which the College receives value without directly giving equal value in return, includes property taxes; federal, state, and local grants; state appropriations; and other contributions. On an accrual basis, revenue from property taxes is recognized in the period for which the levy is intended to finance. Revenue from grants, state appropriations, and other contributions is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when the use is first permitted, matching requirements, in which the College must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the College on a reimbursement basis.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**BASIS OF ACCOUNTING** (Continued)

The accounting policies of the College conform to accounting principles generally accepted in the United States of America as applicable to colleges and universities as well as those prescribed by the Illinois Community College Board (ICCB). The College reports are based on all applicable Government Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant policies.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows of resources and deferred outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS**

Cash includes deposits held at banks plus small amounts maintained for change funds. Cash equivalents are defined as short-term highly liquid investments readily converted to cash.

**INVESTMENTS**

Investments are reported at fair value in accordance with guidelines defined by GASB Statement No. 72. Bank deposits are recorded at cost. Investment income consists of interest earned on bank deposits.

**ACCOUNTS RECEIVABLE**

Accounts receivable includes uncollateralized student obligations, which generally require payment by the first day of class. Accounts receivable are stated at the invoice amount.

Account balances that are not on a payment plan and are unpaid at the end of the term are considered delinquent. Collection costs may be applied to account balances still outstanding thirty days following the end of the semester. Payments of accounts receivable are applied to the specific invoices identified on the student's remittance advise or, if unspecified, to the earliest unpaid invoices.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**ACCOUNTS RECEIVABLE** (Continued)

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected. The allowance for doubtful accounts is based on management's assessment of the collectability of specific student accounts and the aging of the accounts receivable. If the actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due could be adversely affected. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts.

Accounts receivable also includes outstanding balances due from federal and state funding sources and other miscellaneous items.

**PROPERTY TAXES**

The College's property taxes are levied each calendar year on all taxable real property located in the District. Pursuant to Board of Trustees resolution, property tax levies passed in December 2016 were allocated to fiscal year 2017. Property taxes and personal property replacement tax are recorded on the accrual basis.

Property taxes are certified on or before the last Tuesday in December and attach as an enforceable lien on the property as of the preceding January 1. These taxes become due and collectible in the following calendar year and are collected by the county collectors in the District who, in turn, remit to the College its respective share. Collection dates vary according to the schedules of the individual counties with disbursements to the College normally made within thirty days of collection.

The College is permitted, by the Illinois Community College Board, to levy up to \$.75 per \$100 of equalized assessed valuation for educational purposes, and \$.10 per \$100 of equalized assessed valuation for operations, building and maintenance purposes. However, a local referendum allows a maximum total of only \$0.45 per \$100 of equalized assessed valuations for these two purposes. The statutory maximum tax rates and the respective rates for the December 31, 2016 and 2015 tax levies, per \$100 of assessed valuation, are reflected in the following table.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**PROPERTY TAXES (Continued)**

	Statutory Maximum	2017 Rate	2016 Rate
Education	\$0.3729	\$0.3705	\$0.3729
Operations and maintenance	0.0750	0.0745	0.0750
Workers compensation	-	0.0089	0.0076
Social security	-	0.0158	0.0162
Tort liability, protection	-	0.0543	0.0558
Audit	0.0050	0.0050	0.0050
Operations and maintenance (Restricted)			
Protection, Health and Safety	0.0500	0.0071	0.0089
Bond and interest	-	<u>0.0791</u>	<u>0.0821</u>
		<u>\$0.6152</u>	<u>\$0.6235</u>

**CAPITAL ASSETS**

Capital assets include property, movable equipment, and infrastructure assets, such as roads and sidewalks. Capital assets are defined by the College as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant and equipment of the College are depreciated using the straight-line method over the following useful lives (See Note 3 for further detail).

<u>Assets</u>	<u>Years</u>
Land improvements	10 to 20
Buildings and improvements	40 to 60
Equipment	5 to 10
Technology equipment	3 to 5
Vehicles	3 to 5

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**IMPAIRMENT OF ASSETS**

The College reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

**DEFERRED OUTFLOWS OF RESOURCES**

The College reports decrease in net position or fund equity that relate to future periods as deferred outflows of resources in a separate section of its statements of net position. The College has one type of item which occurs related to pension expense. Employer paid federal, trust, or grant contributions were made subsequent to the pension liability measurement date.

**UNEARNED REVENUE**

Deferred revenue includes amounts received which represents payment for services to be provided in future periods for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. These amounts consist primarily of: 1) amounts received or accrued for tuition and fees prior to the end of the fiscal year that are related to the subsequent fiscal year, and 2) amounts received from grant and contract sponsors that have not been earned.

**NON-CURRENT LIABILITIES**

Non-current liabilities include: estimated amounts of accrued compensated absences; and bond and capital lease obligations that will not be paid within the next fiscal year.

The College records a liability for employees' vacation leave earned, but not taken. Employees are allowed to carry over a limited number of vacation days from year to year. The College has no commitment for accumulated sick leave and no liability is recorded. Employees who retire are given credit of up to one year for unused sick leave towards years of service in the State Universities Retirement System pension plan.

**NET POSITION**

The College's net position is classified as follows:

**Invested in capital assets** – This represents the College's total investment in capital assets, net of accumulated depreciation and net of related debt.



**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**NET POSITION** (Continued)

**Restricted net position** – This includes resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties. When both restricted and unrestricted resources are available for use, it is the College's policy to use restricted resources first, then unrestricted resources when they are needed.

**Unrestricted net position** – This includes resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses for any purpose.

**CLASSIFICATION OF REVENUES AND EXPENSES**

The College has classified its revenues and expenses as either Operating or Non-Operating. Operating revenue and expenses include activities that have the characteristics of exchange transactions, such as (a) student tuition and fees, net of scholarship discounts and allowances (b) sales and services of auxiliary enterprises, (c) salaries and benefits and (d) materials and supplies. Non-operating revenue and expenses include activities that have the characteristics of non-exchange transactions, such as (a) local property taxes, (b) state appropriations, (c) most Federal, state, and local grants and contracts and Federal appropriations, and (d) gifts and contributions.

**PENSIONS**

Financial reporting information pertaining to the District's participation in the State Universities Retirement System of Illinois (SURS) is prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the plan net position of the State Universities Retirement System (SURS or the System) and additions to/deductions from SURS' plan net position has been determined on the same basis as they are reported by SURS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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**NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)**

**PENSIONS** (Continued)

For the purposes of financial reporting, the State of Illinois and participating employers are considered to be under a special funding situation. A special funding situation is defined as a circumstance in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either (1) the amount of the contributions for which the non-employer entity is legally responsible is not dependent upon one or more events unrelated to pensions or (2) the non-employer is the only entity with a legal obligation to make contributions directly to a pension plan. The State of Illinois is considered a non-employer contributing entity. Participating employers are considered employer contributing entities.

**FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The College participates in federally funded Pell Grants, SEOG Grants, Federal Work-Study, Student Support Services and Federal Direct Student Loan programs. Federal programs are audited in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards.

**RECLASSIFICATIONS**

Certain reclassifications have been made in the 2016 financial statements to conform to the classifications used in the 2017 financial statements. The reclassifications have no effect on the overall net position.

**NOTE 2 – CASH AND DEPOSITS**

The Board of Trustees has authorized the College to invest funds in accordance with the Illinois Community College Act and the Public Funds Investment Act. In general, the College may invest in obligations of the United States of America or its agencies (or guaranteed by the full faith and credit of same) and certain time deposits and short-term obligations as defined in the Public Fund Investment Act. The carrying amount of the College's unrestricted cash and deposits was \$10,486,132 at June 30, 2017 and \$12,299,166 at June 30, 2016. Not included in that number was cash on hand of \$1,500 at 2017 and 2016.

*Interest Rate Risk.* The College does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The College's investment policy is to apply the prudent person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to conform with legal requirements, seek reasonable income, preserve capital, maintain liquidity and, in general, avoid speculative instruments.

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 2 – CASH AND DEPOSITS (CONTINUED)**

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College's deposit policy allows that funds on deposit in excess of FDIC limits must be secured by some form of collateral, witnessed by a written agreement and held at an independent, third-party institution in the name of the College. As of June 30, 2017 and 2016, deposits were collateralized with securities held by the pledging financial institution. Therefore, none of the College's bank balance was exposed to custodial risk.

**NOTE 3 – CAPITAL ASSETS**

The following tables present the changes in various capital asset categories for fiscal years 2017 and 2016.

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Capital assets not being depreciated:				
Construction in process	\$ 100,393	\$ 41,615	\$ -	\$ 142,008
Land	<u>884,259</u>	<u>7,125</u>	<u>-</u>	<u>891,384</u>
Total capital assets not being depreciated	<u>984,652</u>	<u>48,740</u>	<u>-</u>	<u>1,033,392</u>
Capital assets being depreciated:				
Land improvements	5,210,079	45,118	-	5,255,197
Buildings	18,288,110	-	-	18,288,110
Building improvements	41,697,872	100,000	-	41,797,872
Campus lighting	40,955	-	-	40,955
Equipment	<u>15,493,323</u>	<u>97,702</u>	<u>34,927</u>	<u>15,556,098</u>
Total capital assets being depreciated	<u>80,730,339</u>	<u>242,820</u>	<u>34,927</u>	<u>80,938,232</u>
Less accumulated depreciation:				
Land improvements	2,650,021	132,315	-	2,782,336
Buildings	8,887,366	369,507	-	9,256,873
Building improvements	16,527,169	896,264	-	17,423,433
Campus lighting	39,154	450	-	39,604
Equipment	<u>14,520,440</u>	<u>481,345</u>	<u>34,927</u>	<u>14,966,858</u>
Total accumulated depreciation	<u>42,624,150</u>	<u>1,879,881</u>	<u>34,927</u>	<u>44,469,104</u>
<b>Net capital assets</b>	<u><u>\$39,090,841</u></u>	<u><u>\$(1,588,321)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 37,502,520</u></u>

**DANVILLE AREA COMMUNITY COLLEGE  
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June 30, 2017 and 2016**

**NOTE 3 – CAPITAL ASSETS (CONTINUED)**

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>
Capital assets not being depreciated:				
Construction in process	\$ -	\$ 100,393	\$ -	\$ 100,393
Land	<u>884,259</u>	<u>-</u>	<u>-</u>	<u>884,259</u>
Total capital assets not being depreciated	<u>884,259</u>	<u>100,393</u>	<u>-</u>	<u>984,652</u>
Capital assets being depreciated:				
Land improvements	5,210,079	-	-	5,210,079
Buildings	18,288,110	-	-	18,288,110
Building improvements	41,697,872	-	-	41,697,872
Campus lighting	40,955	-	-	40,955
Equipment	<u>15,227,435</u>	<u>280,088</u>	<u>14,200</u>	<u>15,493,323</u>
Total capital assets being depreciated	<u>80,464,451</u>	<u>280,088</u>	<u>14,200</u>	<u>80,730,339</u>
Less accumulated depreciation:				
Land improvements	2,522,217	127,803	-	2,650,021
Buildings	8,517,818	369,547	-	8,887,366
Building improvements	15,633,219	893,950	-	16,527,169
Campus lighting	38,705	450	-	39,154
Equipment	<u>13,951,909</u>	<u>582,732</u>	<u>14,200</u>	<u>14,520,440</u>
Total accumulated depreciation	<u>40,663,868</u>	<u>1,974,482</u>	<u>14,200</u>	<u>42,624,150</u>
<b>Net capital assets</b>	<u>\$40,684,842</u>	<u>\$(1,594,001)</u>	<u>\$ -</u>	<u>\$ 39,090,841</u>

At June 30, 2017 and 2016, the College had several uncompleted construction contracts in the Capital Projects Fund. The remaining commitment on these construction contracts was approximately \$4,000 and \$50,000, respectively.

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 4 – LONG-TERM DEBT**

At June 30, 2017 and 2016, the College’s long-term debt consisted of bond issues, capital lease obligations, and accrued compensated absences. Changes in long-term debt for the years ended June 30, 2017 and 2016 are as follows:

	<b>Balance 6/30/16</b>	<b>Additional Obligations</b>	<b>Retirements</b>	<b>Balance 6/30/17</b>	<b>Due Within One Year</b>
2010 Working Cash Bonds	\$ 250,000	\$ -	\$ 250,000	\$ -	\$ -
2010 Technology Bonds	500,000	-	150,000	350,000	350,000
2013 Technology Bonds	645,000	-	250,000	395,000	165,000
2013 Construction Bonds	2,995,000	-	-	2,995,000	-
2015 Technology Bonds	880,000	-	105,000	775,000	105,000
2016 Technology and Maintenance Bond	1,000,000	-	-	1,000,000	95,000
Accrued compensated absences	298,167	248,671	241,717	305,121	240,000
Capital lease obligations	115,994	-	51,700	64,294	53,144
<b>Total</b>	<b><u>\$ 6,684,161</u></b>	<b><u>\$ 248,671</u></b>	<b><u>\$ 1,048,417</u></b>	<b><u>\$ 5,884,415</u></b>	<b><u>\$ 1,008,144</u></b>

	<b>Balance 6/30/15</b>	<b>Additional Obligations</b>	<b>Retirements</b>	<b>Balance 6/30/16</b>	<b>Due Within One Year</b>
2010 Working Cash Bonds	\$ 575,000	\$ -	\$ 325,000	\$ 250,000	\$ 250,000
2010 Technology Bonds	500,000	-	-	500,000	150,000
2013 Technology Bonds	925,000	-	280,000	645,000	250,000
2013 Construction Bonds	2,995,000	-	-	2,995,000	-
2015 Technology Bonds	1,000,000	-	120,000	880,000	105,000
2016 Technology and Maintenance Bond	-	1,000,000	-	1,000,000	-
Accrued compensated absences	300,821	264,884	267,538	298,167	270,000
Capital lease obligations	165,383	-	49,389	115,994	51,700
<b>Total</b>	<b><u>\$ 6,461,204</u></b>	<b><u>\$ 1,264,884</u></b>	<b><u>\$ 1,041,927</u></b>	<b><u>\$ 6,684,161</u></b>	<b><u>\$ 1,076,700</u></b>

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**General Obligation Bonds**

**Series 2010 Working Cash Bonds:** On December 1, 2010 the College issued taxable Working Cash bonds in the amount of \$1,000,000. The proceeds of the bonds were used to increase the College’s Working Cash Fund, which was needed as a result of delayed State of Illinois Operating Grant payments. Serial retirement of principal and interest began on December 1, 2011, with interest payable semiannually at 4.25% - 4.50%. Maturity date was December 1, 2016.

**Series 2010 Technology Bonds:** On December 1, 2010 the College issued bonds in the amount of \$500,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2011, with interest payable semiannually at 3.80% - 3.90%. Maturity date is December 1, 2017. Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 350,000	\$ 6,825	\$ 356,825

**Series 2013 Technology Bonds:** On January 1, 2013 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2013, with interest payable semiannually at 0.50% - 2.50%. Maturity date is December 1, 2018. Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 165,000	\$ 7,606	\$ 172,606
2019	<u>230,000</u>	<u>2,875</u>	<u>232,875</u>
	<u>\$ 395,000</u>	<u>\$ 10,481</u>	<u>\$ 405,481</u>

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Series 2013 Construction Bonds:** On October 11, 2013 the College issued bonds in the amount of \$2,995,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the construction and equipment of a 10,000 square foot addition to the Technology Center (the “Project”). Serial retirement interest began on July 1, 2014, with interest payable semiannually at 4.25%. A lump sum principal payment will be due upon maturity. Maturity date is January 1, 2028. A donor has committed to contribute \$3,000,000, within 60 days of his death, to the Foundation to be used for the Project. The College expects to use such contribution, if and when received, to pay the bonds. In addition, the donor has committed to contribute to the Foundation \$100,000 per year after the date the construction started. The College will use such money to pay a portion of the yearly interest on the Bonds and to abate annually at a minimum a portion of the pledged taxes attributable to the donor’s contribution. Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ -	\$ 127,288	\$ 127,288
2019	-	127,288	127,288
2020	-	127,288	127,288
2021	-	127,288	127,288
2022	-	127,288	127,288
2023-2027	-	636,434	636,434
2028	<u>2,995,000</u>	<u>127,288</u>	<u>3,122,288</u>
	<u>\$ 2,995,000</u>	<u>\$ 1,400,162</u>	<u>\$ 4,395,162</u>

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Series 2015 Technology Bonds:** On January 8, 2015 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of technological and instructional equipment. Serial retirement of principal and interest began on December 1, 2015, with interest payable semiannually at 2.30%. Maturity date is June 1, 2020. Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 105,000	\$ 16,617	\$ 121,617
2019	410,000	10,695	420,695
2020	<u>260,000</u>	<u>2,990</u>	<u>262,990</u>
	<u>\$ 775,000</u>	<u>\$ 30,302</u>	<u>\$ 805,302</u>

**Series 2016 Technology and Maintenance Bonds:** On February 11, 2016 the College issued bonds in the amount of \$1,000,000. The proceeds of the bonds were used to pay off outstanding debt certificates previously issued to fund the purchase of deferred maintenance projects and technological and instructional equipment. Serial retirement of principal and interest begins on December 1, 2017, with interest payable semiannually at 2.35%. Maturity date is December 1, 2020. Remaining principal and interest payments to maturity are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 95,000	\$ 67,146	\$ 162,146
2019	125,000	25,800	150,800
2020	255,000	20,731	275,731
2021	<u>525,000</u>	<u>8,613</u>	<u>533,613</u>
	<u>\$ 1,000,000</u>	<u>\$ 122,290</u>	<u>\$ 1,122,290</u>



**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 4 – LONG-TERM DEBT (CONTINUED)**

**Capital Lease Obligations**

**Copiers:** The College is leasing copy machines under capital leases which expire June, 2018. The equipment is capitalized and depreciated over its estimated productive life. Total cost on the equipment was \$126,633. Accumulated depreciation on the equipment as of June 30, 2017 and 2016 was \$101,306 and \$75,980, respectively.

**Tractor:** The College is leasing a sleeper tractor under a capital lease that expires December, 2018. The equipment is capitalized and depreciated over its estimated productive life. Total cost of the tractor was \$121,937. Accumulated depreciation on the equipment as of June 30, 2017 and 2016 was \$97,550 and \$73,162, respectively.

Future minimum lease payments under these leases are as follows:

2018	\$ 54,910
2019	11,265
Total minimum lease payments	<u>66,175</u>
Less amount representing interest	(1,881)
Present value of minimum lease payments	<u>\$ 64,294</u>

**NOTE 5 – CONTINGENCIES**

**Grant Contingencies**

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. College management believes disallowances, if any, will be immaterial.

**Litigation**

As of June 30, 2017, the College is involved in various litigated issues. Possible judgments in these cases cannot be predicted at this time nor any damages, if any, reasonably estimated.

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 6 – RISK MANAGEMENT**

The College is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters, for which the College carries commercial insurance.

The College is a member of the Community College Insurance Cooperative (CCIC), a public entity risk pool currently operating as a common risk management and insurance program for independent organizations (five at June 30, 2017). The College pays an annual premium to CCIC for its medical insurance coverage under a retrospectively rated policy (the initial premium is adjusted based on actual experience of the group during the period of coverage). The Agreement for Formation of CCIC provides that CCIC will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 for each insured individual.

The College continues to carry commercial insurance for all other risks of loss, including general liability, property and workers' compensation insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

**NOTE 7 – DEFINED BENEFIT PENSION PLANS**

**General Information about the Pension Plan**

*Plan Description.* Danville Area Community College contributes to the State Universities Retirement System of Illinois (SURS), a cost-sharing multiple-employer defined benefit plan with a special funding situation whereby the State of Illinois (the State) makes substantially all actuarially determined required contributions on behalf of the participating employers. SURS was established July 21, 1941 to provide retirement annuities and other benefits for staff members and employees of state universities, certain affiliated organizations, and certain other state educational and scientific agencies and for survivors, dependents, and other beneficiaries of such employees. SURS is considered a component unit of the State of Illinois' financial reporting entity and is included in the state's financial reports as a pension trust fund. SURS is governed by Chapter 40, Act 5, Article 15 of the *Illinois Compiled Statutes*. SURS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the website at [www.SURS.org](http://www.SURS.org).

*Benefits Provided.* A traditional benefit plan was established in 1941. Public Act 90-0448 enacted effective January 1, 1998, established an alternative defined benefit program known as the portable benefit package. The traditional and portable plan Tier 1 refers to members that began participation prior to January 1, 2011. Public Act 96-0889 revised the traditional and portable benefit plans for members who begin participation on or after January 1, 2011, and who do not have other eligible Illinois reciprocal system services. The revised plan is referred to as Tier 2. New employees are allowed 6 months after their date of hire to make an irrevocable election. A summary of the benefit provisions as of June 30, 2016 can be found in the System's comprehensive annual financial report (CAFR) Notes to the Financial Statements.

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**General Information about the Pension Plan (Continued)**

*Contributions.* The State of Illinois is primarily responsible for funding the System on behalf of the individual employers at an actuarially determined amount. Public Act 88-0593 provides a Statutory Funding Plan consisting of two parts: (i) a ramp-up period from 1996 to 2010 and (ii) a period of contributions equal to a level percentage of the payroll of active members of the System to reach 90% of the total Actuarial Accrued Liability by the end of Fiscal Year 2045. Employer contributions from "trust, federal, and other funds" are provided under Section 15-155(b) of the Illinois Pension Code and require employers to pay contributions which are sufficient to cover the accruing normal costs on behalf of applicable employees. The employer normal cost for fiscal year 2017 and 2016 respectively, was 12.53% and 12.69% of employee payroll. The normal cost is equal to the value of current year's pension benefit and does not include any allocation for the past unfunded liability or interest on the unfunded liability. Plan members are required to contribute 8% of their annual covered salary. The contribution requirements of plan members and employers are established and may be amended by the Illinois General Assembly.

Participating employers make contributions toward separately financed specific liabilities under Section 15.139.5(e) of the Illinois Pension Code (relating to contributions payable due to the employment of "affected annuitants" or specific return to work annuitants) and Section 15.155(g) (relating to contributions payable due to earning increases exceeding 6% during the final rate of earnings period).

**Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

*Net Pension Liability*

SURS reported a net pension liability (NPL) of \$25,965,271,744 at June 30, 2016 and \$23,756,361,087 at June 30, 2015. The net pension liability was measured as of June 30, 2015 and 2014, respectively.

*Employer Proportionate Share of Net Pension Liability*

The amount of the proportionate share of the net pension liability to be recognized for Danville Area Community College at both fiscal years ended June 30, 2017 and 2016 was \$-0-. The proportionate share of the State's net pension liability associated with Danville Area Community College at June 30, 2016 and 2015 was \$76,320,380 or 0.2939% and \$68,062,674 or 0.2865%, respectively. These amounts should not be recognized in the financial statements. The net pension liability and total pension liability as of June 30, 2016 and June 30, 2015 were determined based on the June 30, 2015 actuarial valuation rolled forward, and the June 30, 2014 actuarial valuation rolled forward, respectively. The basis of allocation used in the proportionate share of net pension liability for each year is the actual reported pensionable contributions made to SURS during fiscal years 2016 and 2015, respectively.

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**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

*Pension Expense*

For the years ended June 30, 2016 and 2015, SURS reported a collective net pension expense of \$2,566,164,865 and \$1,994,587,170, respectively.

*Employer Proportionate Share of Pension Expense*

The College's proportionate share of collective pension expense should be recognized similarly to on-behalf payments as both revenue and matching expenditure in the financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual reported pensionable contributions made to SURS during fiscal years 2016 and 2015, respectively. As a result, Danville Area Community College recognized on-behalf revenue and pension expense of \$7,542,793 and \$5,714,551, respectively, for the fiscal years ended June 30, 2017 and 2016.

*Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

Deferred outflows of resources are the consumption of net position by the system that is applicable to future reporting periods.

SURS Collective Deferred Outflows and Deferred Inflows of Resources

<b>Fiscal Year Ended June 30, 2016</b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual experience	\$ 14,215,882	\$ 2,298,574
Changes in assumption	655,463,758	-
Net difference between projected and actual earnings on pension plan investments	<u>1,431,081,306</u>	<u>635,552,976</u>
<b>Total</b>	<b><u>\$ 2,100,760,946</u></b>	<b><u>\$ 637,851,550</u></b>
<b>Fiscal Year Ended June 30, 2015</b>	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference between expected and actual experience	\$ 27,312,043	\$ -
Changes in assumption	609,393,909	-
Net difference between projected and actual earnings on pension plan investments	<u>593,840,642</u>	<u>953,329,464</u>
<b>Total</b>	<b><u>\$ 1,230,546,594</u></b>	<b><u>\$ 953,329,464</u></b>

**DANVILLE AREA COMMUNITY COLLEGE  
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**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Pension Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

SURS Collective Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses:

Year Ending June 30	Net Deferred Outflows of Resources
2017	\$ 539,536,680
2018	275,426,885
2019	401,520,624
2020	246,425,207
2021	-
Thereafter	-
Total	<u>\$1,462,909,396</u>

**Employer Deferral of Fiscal Year 2017 Pension Expense**

The College paid \$63,075 and \$64,668 in federal, trust or grant contributions for the fiscal years ended June 30, 2017 and 2016, respectively. These contributions were made subsequent to the pension liability measurement date of June 30, 2016 and 2015, and are recognized as Deferred Outflows of Resources as of June 30, 2017 and 2016.

**Assumptions and Other Inputs**

*Actuarial Assumptions.* The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period June 30, 2010 – 2014. The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75 percent
Salary increases	3.75 to 15.00 percent, including inflation
Investment rate of return	7.25 percent beginning with the actuarial valuation as of June 30, 2014

Mortality rates were based on the RP2014 Combined Mortality Table with projected generational mortality and a separate mortality assumption for disabled participants.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were adopted by the plan's trustees after considering input from the plan's investment consultant(s) and actuary(s). For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2016, these best estimates are summarized in the following table:

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Assumptions and Other Inputs (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	23%	6.08%
Private Equity	6%	8.73%
Non-U.S. Equity	19%	6.95%
Global Equity	8%	6.78%
Fixed Income	19%	1.17%
Treasury-Inflation Protected Securities	4%	1.41%
Emerging Market Debt	3%	4.44%
Real Estate REITS	4%	5.75%
Direct Real Estate	6%	4.62%
Commodities	2%	4.23%
Hedged Strategies	5%	4.00%
Opportunity Fund	<u>1%</u>	<u>6.54%</u>
Total	100%	5.09%
Inflation		<u>2.75%</u>
<b>Expected Arithmetic Return</b>		<b>7.84%</b>

*Discount Rate.* A single discount rate of 7.01% and 7.12% at June 30, 2016 and 2015, respectively, was used to measure the total pension liability. This single discount rate was based on an expected rate of return on pension plan investments of 7.25% at June 30, 2016 and 2015, and a municipal bond rate of 2.85% and 3.80% at June 30, 2016 and 2015, respectively (based on the weekly rate closest to but not later than the measurement date of the 20-Year Bond Buyer Index as published by the Federal Reserve).

The projection of cash flows used to determine this single discount rate were the amounts of contributions attributable to current plan members and assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the statutory contribution rates under the System's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2073. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2073, and the municipal bond rate was applied to all benefit payments after that date.

**DANVILLE AREA COMMUNITY COLLEGE  
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June 30, 2017 and 2016**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Assumptions and Other Inputs (Continued)**

*Sensitivity of the System's Net Pension Liability to Changes in the Discount Rate.* Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 7.01% and 7.12% for June 30, 2016 and 2015, respectively, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

<b>June 30, 2016</b>		
<b>1% Decrease</b>	<b>Current Single Discount</b>	<b>1% Increase</b>
<b><u>6.01%</u></b>	<b>Rate Assumption</b>	<b><u>8.01%</u></b>
<b><u>7.01%</u></b>		
\$ 31,348,831,631	\$ 25,965,271,744	\$ 21,502,421,700
<b>June 30, 2015</b>		
<b>1% Decrease</b>	<b>Current Single Discount</b>	<b>1% Increase</b>
<b><u>6.12%</u></b>	<b>Rate Assumption</b>	<b><u>8.12%</u></b>
<b><u>7.12%</u></b>		
\$ 28,929,333,917	\$ 23,756,361,087	\$ 19,470,982,362

Additional information regarding the SURS basic financial statements including the Plan Net Position can be found in the SURS comprehensive annual financial report by accessing the website at [www.SURS.org](http://www.SURS.org).

*Changes of Benefit Terms.* There were no benefit changes recognized in the Total Pension Liability as of June 30, 2016.

*Changes of Assumptions.* In accordance with Illinois Compiled Statutes, an actuarial review is to be performed at least once every three years to determine the reasonableness of actuarial assumptions regarding the retirement, disability, mortality, turnover, interest and salary of the members and benefit recipients of SURS. An experience review for the years June 30, 2010 to June 30, 2014 was performed in February 2015, resulting in the adoption of new assumptions as of June 30, 2015.

- *Mortality rates.* Change from the RP2000 Mortality table projected to 2017, sex distinct, to the RP-2014 mortality tables with projected generational mortality improvement. Change to a separate mortality assumption for disabled participants.
- *Salary increase.* Change assumption to service-based rates, ranging from 3.75 percent to 15.00 percent based on years of service, with underlying wage inflation of 3.75 percent.
- *Normal retirement rates.* Change to retirement rates at ages younger than 60, age 66, and ages 70-79 to reflect observed experiences.
- *Early retirement rates.* Change to a slight increase to the rates at ages 55 and 56.

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NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 7 – DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Assumptions and Other Inputs (Continued)**

- Turnover rates. Change to produce lower expected turnover for members with less than 10 years of service and higher turnover for members with more than 10 years of service than the currently assumed rates.
- Disability rates. Decrease rates and have separate rates for males and females to reflect observed experience.
- Dependent assumption. Maintain the current assumption on marital status that varies by age and sex and the assumption that males are three years older than their spouses.

**NOTE 8 – RETIREE HEALTH PLAN**

In addition to the pension plan described previously, the College contributes to the State of Illinois Community College Health Insurance Security Fund (CIP), a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by the State of Illinois. CIP provides health, vision and dental benefits to retired staff of participating Community Colleges. The benefits, employer, employee, retiree and state contributions are dictated by Illinois Compiled Statutes (ILCS) through the State Group Insurance Act of 1971 (act) and can only be changed by the Illinois General Assembly. Separate financial statements, including required supplementary information, may be obtained from the Department of Healthcare and Family Services, 201 South Grand Avenue East, Springfield, Illinois, 62763.

The Act requires every active contributor (employee) of SURS to contribute .5% of covered payroll and every community college district to contribute .5% of covered payroll. Retirees pay a premium for coverage that is also determined by ILCS. The State Pension Funds Continuing Appropriation Act (40/ILCS 15/1.4) requires the State of Illinois to make an annual appropriation to the CIP to cover any expected expenditures in excess of the contributions by active employees, employers, and retirees. The result is pay as you go financing of the plan. The employer contributions made by the State of Illinois on behalf of the College to CIP for the years ended June 30, 2017, 2016, and 2015 were \$51,967, \$53,655, and \$52,188, respectively. The College's contributions for fiscal years ended June 30, 2017, 2016, and 2015 were \$50,493, \$52,215, and \$50,826, respectively.

As disclosed in Note 1, the State contribution to the CIP plan is reported as an "on-behalf payment" in accordance with GASB Statement No. 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance*.



**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 9 – OPERATING LEASES**

On July 1, 2014, the College entered into an agreement with Follett Higher Education Group, Inc. (Follett) to operate and provide services for the bookstore of the College. The agreement expires June 30, 2019, but will continue year-to-year unless terminated by either party pursuant to the terms of the agreement. Follett will receive all revenue generated from sales and will pay the College the applicable percentage of the bookstores' gross revenue. The percentage of gross revenue is 13.75% of all gross revenue up to \$1,000,000 and 14.25% of all gross sales over \$1,000,000. If in the first two full contract years during the term of the agreement, calculated commission payments are less than \$165,000 ("Guaranteed Annual Income"), Follett will pay the College an additional amount necessary to bring the total payments to the College for that year up to the Guaranteed Annual Income. Follett also agreed to spend up to \$228,000 in store improvements. If the contract is terminated, the College has the obligation to pay Follett the value of inventory on hand and the unamortized book value of the store improvements. During the years ended June 30, 2017 and 2016, the College received \$140,541 and \$165,000, respectively, from Follett which is included as operating revenue in the Auxiliary Enterprises Fund.

The College leases vehicles under operating leases expiring in 2020. Future minimum lease payments under these leases are as follows:

2018	\$	25,275
2019		12,972
2020		<u>3,917</u>
<b>Total</b>	<b>\$</b>	<b><u>42,164</u></b>

The College's expense under operating leases was \$50,285 and \$59,170 for 2017 and 2016, respectively.

**NOTE 10 – COMPONENT UNIT**

Significant note disclosures to the Foundation's financial statements are as follows:

**BENEFICIAL INTEREST IN TRUST**

The Foundation is a partial beneficiary in a trust that was created under terms of a will. The interest is recorded at estimated fair value which is based on quoted market prices.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 10 – COMPONENT UNIT (CONTINUED)**

**NET ASSETS – COMPONENT UNIT**

The financial statements of the College's discretely presented component unit have been prepared in accordance with accounting standards relating to *Financial Statements of Not-for-Profit Organizations* on the income tax basis of accounting. The standards require, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted. The following is a description of each class:

**Unrestricted net assets**

The unrestricted net asset class includes all net assets which are neither temporarily nor permanently restricted.

**Temporarily restricted net assets**

The temporarily restricted net asset class includes assets of the Foundation related to gifts with explicit donor-imposed restrictions that have not been met as to a specified purpose or to later periods of time or after specified dates.

**Permanently restricted net assets**

The permanently restricted net asset class includes assets of the Foundation for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

**REVENUE – COMPONENT UNIT**

The College's discretely presented component unit (Foundation) reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 10 – COMPONENT UNIT (CONTINUED)**

**INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT**

**Investments**

The following is a summary of the component unit investments at June 30:

	<u>2017</u> <u>Fair</u> <u>Value</u>	<u>2016</u> <u>Fair</u> <u>Value</u>
Equity securities and mutual funds	\$ 7,357,087	\$ 6,512,003
Corporate bonds	1,650,256	1,322,452
U.S. Government obligations	<u>1,974,952</u>	<u>2,153,765</u>
	10,982,295	9,988,220
Land held for investment	<u>2,851,509</u>	<u>2,851,509</u>
<b>Total</b>	<u>\$ 13,833,804</u>	<u>\$ 12,839,729</u>

Net realized gains totaled \$421,435 and \$80,044 and net unrealized gains totaled \$574,837 and \$467,730 for the years ended June 30, 2017 and 2016, respectively.

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the component unit has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 10 – COMPONENT UNIT (CONTINUED)**

**INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT**  
(Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value and their classification in the valuation hierarchy. There have been no changes in the methodologies used at June 30, 2017 and 2016.

Equity securities and mutual funds listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

Debt securities consisting of corporate bonds and government agency debt obligations are generally valued at the most recent price of the equivalent quoted yield for such securities, or those of comparable maturity, quality and type. Debt securities are generally classified within Level 2 of the valuation hierarchy.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the component unit believes their valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a description of the nature of the categories of mutual funds by major security type.

*Equity funds:* This asset class is generally comprised of investment options that invest in shares of ownership in large to small companies.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 10 – COMPONENT UNIT (CONTINUED)**

**INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT**  
(Continued)

The following tables set forth by level, within the fair value hierarchy, the component unit's assets at fair value as of June 30, 2017 and 2016:

	<b><u>Assets at Fair Value as of June 30, 2017</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Equity mutual funds	\$ 3,833,937	\$ -	\$ -	\$ 3,833,937
Equity securities	3,523,150	-	-	3,523,150
Corporate bonds	-	1,650,256	-	1,650,256
U.S. Government obligations	<u>-</u>	<u>1,974,952</u>	<u>-</u>	<u>1,974,952</u>
<b>Total assets at fair value</b>	<b><u>\$ 7,357,087</u></b>	<b><u>\$ 3,625,208</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 10,982,295</u></b>
	<b><u>Assets at Fair Value as of June 30, 2016</u></b>			
	<b><u>Level 1</u></b>	<b><u>Level 2</u></b>	<b><u>Level 3</u></b>	<b><u>Total</u></b>
Equity mutual funds	\$ 2,394,836	\$ -	\$ -	\$ 2,394,836
Equity securities	4,117,167	-	-	4,117,167
Corporate bonds	-	1,322,452	-	1,322,452
U.S. Government obligations	<u>-</u>	<u>2,153,765</u>	<u>-</u>	<u>2,153,765</u>
<b>Total assets at fair value</b>	<b><u>\$ 6,512,003</u></b>	<b><u>\$ 3,476,217</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 9,988,220</u></b>

**Credit Risk**

Level 2 corporate bonds totaling \$1,575,767 and \$1,322,452 are rated between AAA to BB as of June 30, 2017 and 2016, respectively. The remaining level 2 corporate bonds of \$74,489 and \$0 are not rated as of June 30, 2017 and 2016, respectively.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 10 – COMPONENT UNIT (CONTINUED)**

**INVESTMENTS AND BENEFICIAL INTEREST IN TRUSTS – COMPONENT UNIT**  
(Continued)

**Beneficial Interest in Trusts**

The Foundation is a partial beneficiary of certain perpetual trusts that were created under terms of various wills. Terms of the trusts vary but generally require the principal to remain intact in perpetuity with the income distributed to the beneficiaries.

The beneficial interest trusts are valued based on the underlying assets of the trusts, in the same manner as noted above. The following table sets forth by level, within the fair value hierarchy, the Foundation's interest in the trusts at fair value as of June 30, 2017 and 2016.

<b>Assets at Fair Value as of June 30, 2017</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Other Inputs (Level 2)</b>	<b>Significant Other Observable Inputs (Level 3)</b>	<b>Total</b>
Beneficial interests in trusts	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,084,067</u>	\$ <u>1,084,067</u>

<b>Assets at Fair Value as of June 30, 2016</b>				
	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Other Inputs (Level 2)</b>	<b>Significant Other Observable Inputs (Level 3)</b>	<b>Total</b>
Beneficial interests in trusts	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>1,044,769</u>	\$ <u>1,044,769</u>

<b>Beneficial Interest In Trusts</b>	
Balance – July 1, 2015	\$ 1,123,435
Unrealized Gain (Loss)	<u>(78,666)</u>
Balance – June 30, 2016	<u>\$ 1,044,769</u>
Balance – July 1, 2016	\$ 1,044,769
Unrealized Gain (Loss)	<u>39,298</u>
Balance – June 30, 2017	<u>\$ 1,084,067</u>

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017 and 2016**

**NOTE 11 – SUBSEQUENT EVENTS**

On July 6, 2017, the Illinois legislature passed into law Public Act 100-0021. This legislation provided funding for the Illinois Community College system for both fiscal years ending June 30, 2017 and 2018. The College's portion of this funding for the fiscal year ended June 30, 2017 was \$2,171,382.

Government Accounting Standards Board (GASB) Statement 33 Accounting and Financial Reporting for Nonexchange Transactions states in paragraph 24, "When the provider is a government, the applicable period for both the provider and the recipients is the *provider's* fiscal year and begins on the first day of that year (when, for example, the relevant appropriation becomes effective)".

Public Act 100-0021 (Act) states that the appropriation for fiscal year ended June 30, 2017 takes effect immediately upon becoming law. The Act became law when passed by the Illinois legislature on July 6, 2017. Since the Act did not exist at June 30, 2017, the College did not record the revenue and receivable in the year ended June 30, 2017, thus it will be recognized in the year ended June 30, 2018.

This information is an integral part of the accompanying financial statements.

# REQUIRED SUPPLEMENTARY INFORMATION



**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
REQUIRED SUPPLEMENTARY INFORMATION  
Year Ended June 30, 2017**

<b>Danville Area Community College</b>	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>	<b>Fiscal Year 2014</b>	
<b>Schedule of Share of Net Pension Liability</b>				
(a) Proportion Percentage of the Collective Net Pension Liability	0%	0%	0%	
(b) Proportion Amount of the Collective Net Pension Liability	\$ -	\$ -	\$ -	
(c) Portion of Nonemployer Contributing Entities' Total Proportion of Collective Net Pension Liability associated with Employer	\$ 76,320,380	\$ 68,062,674	\$ 63,586,595	
Total (b) + (c)	\$ 76,320,380	\$ 68,062,674	\$ 63,586,595	
Employer Covered-employee payroll	\$ 10,649,612	\$ 10,466,182	\$ 10,591,044	
Proportion of Collective Net Pension Liability associated with Employer as a percentage of covered-employee payroll	716.65%	650.31%	600.38%	
SURS Plan Net Position as a Percentage of Total Pension Liability	39.57%	42.37%	44.39%	
<b>Schedule of Contributions</b>				
	<b>Fiscal Year 2017</b>	<b>Fiscal Year 2016</b>	<b>Fiscal Year 2015</b>	<b>Fiscal Year 2014</b>
Federal, Trust, Grant and Other contribution	\$ 63,075	\$ 64,668	\$ 63,187	\$ 61,599
Contribution in relation to required contribution	\$ 63,075	\$ 64,668	\$ 63,187	\$ 61,599
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Employer Covered-employee payroll	\$ 11,137,414	\$ 10,649,612	\$ 10,466,182	\$ 10,591,044
Contributions as a percentage of covered-employee payroll	.592	0.544	0.531	.517

**STATISTICAL SECTION**

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATISTICAL SECTION**

This part of the College’s Statistical section of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the College’s overall financial health.

	<u>PAGE</u>
<b><u>Contents</u></b>	
<b>Financial Trends</b> .....	66-68
<p style="margin-left: 40px;">These schedules contain trend information to help the reader understand how the College’s financial performance and well-being have changed over time.</p>	
<b>Revenue Capacity</b> .....	69-82
<p style="margin-left: 40px;">These schedules contain information to help the reader assess the College’s most significant local revenue source, the property tax, and tuition and fees data.</p>	
<b>Debt Capacity</b> .....	83-85
<p style="margin-left: 40px;">These schedules present information to help the reader assess the affordability of the College’s current levels of outstanding debt and the College’s ability to issue additional debt in the future.</p>	
<b>Demographic and Economic Information</b> .....	86-87
<p style="margin-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the College’s financial activities take place.</p>	
<b>Operating Information</b> .....	88-90
<p style="margin-left: 40px;">These schedules contain service and infrastructure data to help the reader understand how the information in the College’s financial report relates to the services the College provides and the activities it performs.</p>	

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

**Danville Area Community College  
Community College District No. 507**

**Net Position by Component  
Last Ten Fiscal Years**

	2017	2016	2015	2014
<b>Business-type activities</b>				
Net investment in capital assets	\$ 31,923,227	\$ 32,954,847	\$ 35,099,459	\$ 35,944,120
<b>Restricted</b>				
Capital projects	1,668,655	1,636,621	1,038,308	2,642,071
Working Cash	5,429,723	5,179,723	4,854,723	4,119,723
Debt Service	758,848	766,898	767,757	873,702
Grant purposes	1,073,262	1,194,007	1,023,344	359,153
Audit Purposes	42,754	35,348	29,726	36,910
Liability Insurance	939,510	1,015,161	1,054,830	1,183,036
Unrestricted	7,680,658	9,277,526	11,953,430	12,069,991
<b>Total business-type activities net position</b>	<b>\$ 49,516,637</b>	<b>\$ 52,060,131</b>	<b>\$ 55,821,577</b>	<b>\$ 57,228,706</b>

**Source:** College's Annual Financial Reports

	2013	2012	2011	2010	2009	2008
\$	37,411,102	\$ 36,990,036	\$ 34,407,305	\$ 34,535,138	\$ 34,941,176	\$ 36,726,498
	590,986	1,259,018	1,131,319	1,154,526	1,360,533	1,659,355
	3,824,723	3,588,091	5,432,211	4,432,604	3,431,905	3,431,457
	908,937	917,584	887,405	887,553	807,116	725,007
	463,566	398,368	364,321	304,985	327,209	355,549
	57,021	53,402	52,654	45,336	44,605	41,431
	1,293,686	1,308,966	1,317,034	1,306,283	1,311,679	1,261,821
	12,724,662	12,109,615	8,260,717	7,298,076	6,682,283	5,290,365
\$	57,274,683	\$ 56,625,080	\$ 51,852,966	\$ 49,964,501	\$ 48,906,506	\$ 49,491,483

Danville Area Community College  
Community College District No. 507

Changes in Net Position  
Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b>Operating revenues</b>										
Student tuition and fees, net of scholarship allowances	\$ 4,123,692	\$ 3,795,210	\$ 3,640,226	\$ 3,797,592	\$ 3,444,023	\$ 3,529,368	\$ 3,166,396	\$ 2,604,979	\$ 2,994,601	\$ 2,928,998
Auxiliary enterprise revenue	554,770	583,445	611,917	1,572,107	1,635,844	1,756,952	1,921,512	1,939,795	1,428,419	1,440,779
Other operating revenue	36,450	16,913	5,332	90,872	96,297	133,112	741,019	944,984	308,128	310,123
Total operating revenues	<u>4,714,912</u>	<u>4,395,568</u>	<u>4,257,475</u>	<u>5,460,571</u>	<u>5,176,164</u>	<u>5,419,432</u>	<u>5,828,927</u>	<u>5,489,758</u>	<u>4,731,148</u>	<u>4,679,900</u>
<b>Operating expenses</b>										
Instruction	7,891,261	8,153,578	8,282,774	8,172,747	7,677,960	7,639,489	7,467,535	7,403,529	6,503,984	6,624,900
Academic support	968,749	1,091,578	1,059,757	1,115,259	1,078,947	1,012,435	945,905	888,490	905,314	824,906
Student services	2,029,366	1,955,524	1,941,911	1,909,172	1,872,718	1,865,047	1,958,784	1,976,642	1,818,995	1,680,738
Public service	1,099,860	1,044,724	1,515,176	1,165,666	1,192,022	1,872,594	1,918,203	2,299,354	1,925,362	1,814,933
Operation and maintenance of plant and capital outlay	2,176,315	2,218,289	2,394,952	2,335,408	2,213,157	2,303,366	2,295,187	2,101,191	2,688,699	2,415,065
Institutional support	4,004,008	3,795,615	3,980,444	3,806,755	3,703,532	3,428,496	3,550,541	3,634,350	3,391,816	3,168,995
Scholarships	1,610,882	1,421,511	1,423,858	1,734,556	1,888,823	1,890,898	2,354,805	2,354,034	1,416,321	1,295,007
Auxiliary enterprise	461,973	507,939	527,600	1,411,733	1,544,480	1,637,358	1,706,388	1,737,761	1,363,206	1,392,360
On-behalf payments	7,544,386	5,658,291	4,752,538	3,869,867	3,502,084	2,434,534	1,952,143	1,712,963	1,047,208	786,556
Depreciation	1,879,879	1,974,482	2,117,550	1,897,870	1,773,702	1,671,260	1,684,228	1,708,656	1,796,800	1,705,318
Total operating expenses	<u>29,666,679</u>	<u>27,821,531</u>	<u>27,996,560</u>	<u>27,419,033</u>	<u>26,447,425</u>	<u>25,755,477</u>	<u>25,833,719</u>	<u>25,816,970</u>	<u>22,857,705</u>	<u>21,708,778</u>
Operating (loss)	<u>(24,951,767)</u>	<u>(23,425,963)</u>	<u>(23,739,085)</u>	<u>(21,958,462)</u>	<u>(21,271,261)</u>	<u>(20,336,045)</u>	<u>(20,004,792)</u>	<u>(20,327,212)</u>	<u>(18,126,557)</u>	<u>(17,028,878)</u>
<b>Nonoperating revenues (expenses)</b>										
State grants and contracts	2,267,118	1,438,607	4,998,816	5,064,905	5,876,838	8,824,366	5,164,358	4,699,816	4,548,102	5,598,535
Local property tax revenues	6,215,639	6,111,782	5,880,830	5,649,735	5,705,172	5,743,885	5,835,858	5,866,645	5,857,426	5,644,521
Personal property replacement tax	622,143	564,193	616,276	573,034	566,452	554,398	602,653	464,716	574,439	-
Federal grants and contracts	5,433,046	5,590,168	5,992,094	5,887,239	6,137,625	7,289,525	8,344,384	8,712,832	5,454,503	4,460,707
Local grants and contracts	13,922	68,183	5,500	70,374	65,400	65,000	-	-	-	-
Investment income earned	110,319	73,257	61,757	66,504	106,496	119,977	94,869	74,236	124,810	332,082
Interest expense	(206,395)	(214,816)	(223,646)	(205,334)	(126,848)	(147,387)	(148,234)	(145,501)	(64,408)	(77,961)
On-behalf payments	7,542,793	5,716,032	4,815,725	3,869,867	3,502,084	2,434,534	1,952,143	1,712,963	1,047,208	786,556
Loss on disposal of assets	-	7,000	-	-	-	(44,665)	(964)	-	-	(896)
Other nonoperating revenues (expenses)	409,688	310,111	184,604	449,161	14,349	12,875	(500)	(500)	(500)	(500)
Net nonoperating revenues	<u>22,408,273</u>	<u>19,664,517</u>	<u>22,331,956</u>	<u>21,425,485</u>	<u>21,847,568</u>	<u>24,852,508</u>	<u>21,844,567</u>	<u>21,385,207</u>	<u>17,541,580</u>	<u>16,743,044</u>
<b>Capital contributions</b>										
Capital contributions	-	-	-	487,000	73,296	255,651	48,690	-	-	-
Total capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>487,000</u>	<u>73,296</u>	<u>255,651</u>	<u>48,690</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ (2,543,494)</u>	<u>\$ (3,761,446)</u>	<u>\$ (1,407,129)</u>	<u>\$ (45,977)</u>	<u>\$ 649,603</u>	<u>\$ 4,772,114</u>	<u>\$ 1,888,465</u>	<u>\$ 1,057,995</u>	<u>\$ (584,977)</u>	<u>\$ (285,834)</u>

Source: College's Annual Financial Reports

**Danville Area Community College  
Community College District No. 507**

**Assessed Value and Estimated Actual Value of Taxable Property  
Tax Levy Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

Tax Levy Year	Fiscal year		Residential Property	Farm Property	Commercial Property	Industrial Property	Railroad Property		
	Ended June 30,								
2016	2017	\$	448,435,619	\$	306,362,629	\$	41,146,758	\$	17,675,061
2015	2016		439,319,200		289,791,685		164,119,648		40,813,423
2014	2015		433,762,886		297,447,603		168,042,132		40,933,844
2013	2014		436,829,009		278,541,423		161,675,354		41,564,120
2012	2013		451,283,044		238,494,724		162,443,020		41,140,807
2011	2012		466,219,117		221,309,760		171,295,781		49,576,083
2010	2011		487,878,257		207,929,367		184,385,440		52,861,063
2009	2010		505,530,753		195,406,987		191,621,902		56,779,351
2008	2009		523,188,149		183,333,913		210,829,303		53,229,136
2007	2008		514,961,191		171,555,840		207,052,419		47,061,395

**Source:** College's Business Office; County Clerk's Offices

	Mineral Property	Other Property	Unallocated TIF	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
\$	34,834,496	\$ -	\$ -	\$ 1,016,037,986	\$ 0.6235	\$ 3,078,902,988	33.00%
	33,337,250	-	-	986,086,819	0.6185	2,988,141,876	33.00%
	1,046,825	11,764,747	-	958,251,948	0.6185	2,903,793,782	33.00%
	1,047,838	8,097,541	-	933,032,914	0.6127	2,827,372,467	33.00%
	1,048,813	12,190,641	-	911,509,553	0.6307	2,762,150,161	33.00%
	1,044,806	12,108,841	-	926,319,470	0.6233	2,807,028,697	33.00%
	2,446,380	10,829,212	-	950,508,048	0.6193	2,880,327,418	33.00%
	2,199,814	9,482,586	-	964,795,136	0.6122	2,923,621,624	33.00%
	2,199,814	8,031,414	(16,502,332)	966,728,656	0.6014	2,929,480,776	33.00%
	4,116,638	6,603,792	(14,221,698)	940,012,257	0.6029	2,848,521,991	33.00%



**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates  
Direct and Overlapping  
Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

Taxing Bodies	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Overlapping Property Tax Rates:</b>										
<b>Vermilion County</b>										
Airport Authority	.11077	.11031	.10589	.10480	.09730	.09000	.10250	.11630	.11120	.10960
Catlin Cemetery	.08212	.08120	.08172	.08481	.08620	.08780	.08700	.08720	.08820	.09110
Georgetown Cemetery	.06718	.06754	.06252	.06071	.05820	.06070	.05750	.05590	.05450	.05230
Pilot Cemetery	.05211	.05009	.04539	.04835	.05030	.03510	.03350	.03120	.03160	.03160
Rossville/South Ross Cemetery	.19908	.19999	.14964	.14617	.14500	.15310	.15420	.15360	.14800	.14490
Vermilion County	1.44450	1.48477	1.44616	1.47315	1.44860	1.41420	1.37220	1.34150	1.33130	1.36830
Conservation District	.13167	.12344	.12058	.12132	.12420	.12130	.11680	.11420	.11310	.11580
Blount Water	.01039	.01051	.01158	.01172	.01230	.01200	.01150	.01190	.01190	.01220
South Ross Water	.03292	.03455	.03652	.03889	.04160	.04960	.05000	.05030	.05130	.07930
City of Alvin	.02481	.47619	.26380	.25000	.24890	.25000	.25000	.25000	.23910	.23270
City of Belgium	.35800	.35800	.35800	.35800	.35730	.34420	.33340	.32750	.30010	.30080
City of Catlin	.79252	.71322	.73532	.74163	.73870	.71060	.71190	.68940	.65330	.63350
City of Danville	2.04299	2.08259	2.05525	2.06604	1.99890	1.97950	1.97490	1.98560	1.88460	1.78750
City of Fairmount	.75516	.73696	.67281	.62460	.59350	.62670	.57230	.55360	.51530	.50360
City of Fithian	.76927	.79817	.77158	.73980	.69050	.64300	.57770	.52410	.49130	.47380
City of Georgetown	1.12495	1.13842	.94365	.92516	.85160	.84870	.77490	.72620	.67690	.64460
City of Henning	.32302	.31588	.31169	.29612	.31050	.56790	.52050	.48580	.45420	.47800
City of Hoopston	2.61117	2.51197	2.60635	2.44469	2.21840	2.03630	1.90970	1.93640	1.89370	1.91590
City of Indianola	.30947	.34199	.36600	.36057	.35890	.36910	.34570	.32740	.32030	.32130
City of Muncie	.25628	.24873	.25000	.25000	.25000	.23720	.25000	.25000	.25000	.25000
City of Potomac	1.07765	1.04390	1.04121	.95004	.88280	.90530	.83780	.76880	.69760	.67400
City of Rankin	.80693	.73564	.78472	.78117	.75900	.80200	.74910	.71160	.70390	.69160
City of Ridge Farm	2.69661	2.69345	2.69383	2.57688	2.46490	2.41950	2.17590	2.01230	1.86740	1.76250
City of Rossville	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000	.25000
City of Sidell	.63572	.64228	.66453	.63396	.61600	.64050	.60990	.58380	.54650	.56370

**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates (Continued)  
Direct and Overlapping**

**Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

<b>Taxing Bodies</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Vermilion County (Continued)</b>										
Allerton Fire	.26006	.25768	.25392	.26129	.26460	.26950	.28360	.28420	.28430	.29650
Bismarck Fire	.54901	.53528	.34508	.33638	.33840	.33400	.33070	.32750	.31220	.32440
Blue Grass Fire	.55213	.55605	.52767	.51590	.58480	.59480	.58470	.57700	.57490	.57240
Cattin Fire	.33015	.33457	.34069	.33804	.33650	.34070	.33930	.32930	.31900	.25660
Carroll Fire	.49734	.51229	.51759	.53011	.54350	.60600	.56440	.56740	.56510	.49530
FMC Fire	.15477	.15120	.14969	.10142	.15410	.15940	.16370	.16590	.17200	.18070
Georgetown Fire	.59571	.61354	.55809	.53746	.51290	.52740	.48470	.46840	.45020	.46090
Grant Township Fire	.00000	.40000	.10088	.10739	.11230	.11690	.11980	.12240	.12290	.11070
Homer Fire	.41247	.40788	.38831	.40104	.41200	.41520	.40230	.39750	.38670	.39250
Kickapoo Fire	.18747	.18522	.18667	.18021	.17940	.17290	.16550	.16400	.16270	.16870
Lynch Fire	.67156	.67976	.69074	.69286	.68800	.68330	.63790	.61370	.60960	.62420
Oakwood Fire	.29532	.30062	.30121	.31243	.33160	.25600	.24930	.23930	.23530	.23790
Ogden/Royal Fire	.15815	.16321	.16219	.16214	.20270	.21400	.22060	.23640	.24240	.26110
Rankin Fire	.44317	.44509	.46694	.46506	.42360	.56350	.53430	.54690	.56230	.35700
Ridge Farm Fire	.49733	.51004	.30661	.31937	.32030	.33640	.40020	.40670	.41080	.51680
Rossville Fire	.53735	.56219	.63496	.63286	.64990	.64620	.66120	.66800	.28000	.30000
Sidell Fire	.28602	.28275	.27791	.27605	.27410	.28370	.28120	.27460	.26970	.27260
Westville Fire	.41704	.42277	.41754	.42604	.40760	.40410	.39930	.37600	.35720	.34740
Cattin Library	.21798	.21635	.20950	.20746	.20630	.20500	.20350	.20110	.20430	.20390
Hoopston Library	.22439	.22661	.22663	.22668	.22580	.22620	.22380	.22010	.21560	.21420
Oakwood Library	.26851	.28072	.28989	.28593	.28390	.28070	.26450	.24760	.23610	.21390
Sidell Library	.17138	.17856	.18318	.18549	.21570	.22270	.21930	.21880	.21730	.21790
Westville Library	.28021	.28118	.27944	.27990	.26800	.26190	.25720	.25320	.25070	.24380

**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates (Continued)  
Direct and Overlapping**

**Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

<b>Taxing Bodies</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Vermilion County (Continued)</b>										
Carroll/Elwood MTA	.06512	.06727	.06914	.07921	.08190	.08290	.07530	.07320	.07090	.06560
Grant/Butler MTA	.15600	.15634	.18076	.19350	.20280	.20040	.20750	.20430	.00000	.00000
Georgetown/Love/McKendree MTA	.03866	.04031	.03939	.03989	.03880	.04110	.03980	.03890	.03850	.03900
Jamaica/Vance MTA	.03222	.03147	.03157	.03335	.03470	.03560	.03530	.03750	.03710	.03720
Middlefork Pilot MTA	.04157	.04051	.03974	.04033	.04230	.03610	.03460	.03290	.03200	.03180
Rossville Park	.07995	.08456	.09133	.09295	.09410	.09700	.09820	.09960	.10000	.10000
Blount Road & Bridge	.43599	.43147	.44226	.44270	.44350	.42140	.40120	.38880	.37390	.35810
Butler Road & Bridge	.71180	.74745	.97631	.96020	.98390	1.02660	.99530	.97460	.95330	.96160
Carroll Road & Bridge	.51417	.51484	.51207	.47042	.47160	.47900	.45400	.45450	.45230	.42670
Cattin Road & Bridge	.42641	.43147	.43307	.44052	.43710	.44700	.43120	.44580	.39380	.39290
Danville Road & Bridge	.47506	.47373	.47257	.45748	.45200	.43350	.41110	.39010	.37890	.37860
Elwood Road & Bridge	.44607	.45101	.45768	.45547	.45320	.45460	.43990	.42780	.41740	.41670
Georgetown Road & Bridge	.36049	.36966	.35965	.35528	.34200	.35600	.27980	.33380	.31760	.30670
Grant Road & Bridge	.53057	.55321	.48408	.48541	.48060	.46970	.46280	.46340	.45550	.45630
Jamaica Road & Bridge	.82822	.82724	.78550	.79253	.79690	.82490	.82610	.82370	.82980	.83190
Love Road & Bridge	.52124	.51901	.50251	.50861	.50570	.52110	.52980	.52860	.52160	.52430
Mc Kendree Road & Bridge	.52412	.52363	.50211	.49129	.47670	.48510	.46060	.44090	.42930	.42680
Middlefork Road & Bridge	.58644	.59343	.62755	.62340	.63070	.64710	.63540	.62900	.62730	.63300
Newell Road & Bridge	.26106	.25824	.24558	.24226	.25000	.25000	.24600	.24200	.23780	.23610
Oakwood Road & Bridge	.44544	.45000	.45000	.45000	.45000	.45000	.45000	.44810	.44050	.43530
Pilot Road & Bridge	.31088	.31047	.29775	.30014	.32560	.31880	.31880	.31750	.31190	.31100
Rossville Road & Bridge	.21451	.22482	.24603	.24673	.24710	.25000	.25000	.25000	.25000	.25000
Sidell Road & Bridge	.53355	.53803	.53750	.54315	.54430	.56140	.57120	.57770	.56930	.52850
South Ross Road & Bridge	.20824	.20816	.20950	.20603	.20990	.24840	.24840	.24530	.23950	.23810
Vance Road & Bridge	.41917	.41667	.40329	.40865	.40450	.41150	.40460	.39910	.39520	.40000
Westville/Belgium Sanitary	.08056	.08217	.08133	.08021	.07540	.07760	.07440	.07140	.06910	.06920

**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates (Continued)  
Direct and Overlapping**

**Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

<b>Taxing Bodies</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Vermilion County (Continued)</b>										
Danville Special Service	1.53153	1.54626	1.54947	1.54883	1.47640	1.77520	1.63960	1.77350	1.68410	1.60980
Grant Special Service	.02123	.02303	.02408	.02500	.02500	.02500	.02500	.02500	.02500	.02480
North Fork Special Service 01	.06991	.07332	.08245	.08534	.08780	.08870	.08810	.08400	.08010	.07910
North Fork Special Service 02	.06550	.06550	.06550	.06550	.06550	.06350	.06100	.05580	.05140	.04830
North Fork Special Service 03	.05260	.05277	.05199	.05070	.04890	.04840	.04770	.04490	.04390	.04130
Ross Special Service Amb 01	.12000	.12000	.12000	.12000	.12000	.11930	.11760	.11620	.11910	.11790
Ross Special Service Amb 02	.00038	.02500	.01674	.01763	.01850	.01950	.02000	.02080	.02060	.02500
Blount Township	.21320	.20906	.21759	.20813	.20560	.18750	.17070	.16970	.16060	.15660
Butler Township	.55888	.58147	.90106	.92612	.94830	.98260	.94510	.93750	.92960	.90230
Carroll Township	.59973	.61647	.61505	.62468	.63830	.65370	.58750	.58850	.58400	.51190
Cattin Township	.19648	.19886	.20015	.20187	.20870	.22180	.22070	.22830	.23130	.23690
Danville Township	.54173	.53552	.50618	.48114	.45140	.43260	.41110	.39280	.37930	.38250
Elwood Township	.54322	.52861	.55959	.54974	.53480	.54830	.51630	.48990	.46660	.47750
Georgetown Township	.31632	.32915	.30566	.30654	.29280	.39700	.29640	.28720	.27030	.27270
Grant Township	.30051	.33594	.32697	.31609	.32690	.30270	.28320	.28570	.38360	.38960
Jamaica Township	.36070	.35791	.35709	.38065	.38330	.42130	.42200	.41940	.42910	.43400
Love Township	.64059	.64295	.62311	.63442	.63080	.65070	.66190	.67000	.67590	.67940
Mc Kendree Township	.45224	.47557	.47728	.47853	.47660	.49530	.47100	.47100	.45760	.46630
Middlefork Township	.58002	.59386	.61798	.61089	.60530	.63780	.63620	.62530	.62230	.61950
Newell Township	.20764	.20801	.20749	.20468	.19170	.17400	.15720	.14380	.13170	.12870
Oakwood Township	.40495	.40684	.40539	.40002	.39940	.38450	.36510	.34600	.33200	.32570
Pilot Township	.27849	.27997	.26958	.27170	.37930	.33150	.31700	.29520	.28490	.25100
Rossville Township	.53456	.56508	.61863	.62225	.63540	.65260	.66060	.66310	.65930	.63870
Sidell Township	.42373	.41927	.41278	.41712	.41800	.42760	.43000	.42850	.42030	.42730
South Ross Township	.44988	.44973	.45265	.44515	.45350	.53310	.53350	.51160	.49700	.49390
Vance Township	.45075	.43569	.42367	.41908	.43060	.46450	.45210	.44430	.45250	.45350

**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates (Continued)  
Direct and Overlapping**

**Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

<b>Taxing Bodies</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Vermilion County (Continued)</b>										
Bismarck-Henning Unit 1	5.35163	5.35243	5.26859	5.19977	5.15800	5.06940	4.97860	4.89750	4.84130	4.84890
Westville Unit 2	5.44288	5.55050	5.17437	5.12624	4.95180	4.95320	4.76630	4.65790	4.52060	4.51940
Georgetown/Ridge Farm Unit 4	5.57670	5.72343	5.27308	5.26925	5.16130	4.89150	4.72190	4.69050	4.56010	4.47950
Catlin Unit 5	.20249	.20145	5.17412	5.03047	5.12230	5.16410	5.15190	5.15120	5.13170	4.91070
Rossville/Alvin Unit 7	5.25738	5.54454	5.43387	5.45955	5.09560	5.07140	4.81340	4.79520	4.79780	4.80880
Heritage Unit 8C	5.36103	5.50138	5.24637	5.02058	4.98060	4.89090	4.87630	4.83370	4.53370	4.74910
Potomac Unit 10	4.96404	5.15587	4.64882	4.50827	4.62860	4.87080	4.78440	4.84180	4.93370	4.89400
Paxton-Buckley-Loda Unit 10F	6.23634	5.65804	5.46175	5.29721	5.19900	5.33900	5.26650	5.35410	5.32490	5.42380
Hoopston Unit 11	5.13006	5.17614	4.66098	4.64282	4.64930	4.64180	4.63510	4.63740	4.62750	4.60070
Jamaica Unit 12	.02774	.09692	5.15639	5.15076	5.11960	5.22490	5.09530	5.07670	5.12270	5.09600
Armstrong Unit 61	2.57496	2.77210	2.49909	2.54712	3.02280	2.99110	2.97320	2.95940	3.02060	3.10720
Oakwood Unit 76	5.28734	5.35245	5.10057	5.15382	4.92270	4.55860	4.53140	4.52600	4.49430	4.52620
Danville Unit 118	5.70486	5.70722	5.28616	5.30868	5.12690	5.03080	4.97460	4.93800	4.89020	4.89450
Prairieview Unit 192	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Prairieview-Ogden Unit 197	3.05999	3.05506	2.82308	2.80997	2.80140	2.79050	2.74960	2.74840	2.72900	2.70180
Ogden Unit 212	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
Armstrong High School 225	2.12522	2.34039	2.23827	2.22711	2.53270	2.59390	2.92400	3.07500	3.09740	3.23900
St. Joseph High School 305	1.98993	2.00998	1.99897	1.97297	1.93330	1.97150	1.94760	2.00230	1.99240	1.97490
Salt Fork Unit 512	5.14255	5.16532	.00000	.00000	.00000	.00000	.00000	.00000	.00000	.00000
<b>Total Overlapping Rate</b>	<b>113.57023</b>	<b>115.53758</b>	<b>115.97495</b>	<b>114.69619</b>	<b>113.92360</b>	<b>114.49370</b>	<b>111.92790</b>	<b>111.29220</b>	<b>109.07910</b>	<b>108.58210</b>

**Danville Area Community College  
Community College District No. 507**

**Property Tax Rates (Continued)  
Direct and Overlapping**

**Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

<b>Taxing Bodies</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Vermilion County (Continued)</b>										
<b>Direct Property Tax Rate:</b>										
<b>Danville Area Community College</b>										
Education Fund	.37048	.37290	.37290	.36510	.37290	.37290	.37290	.37290	.37290	.37290
Building and Maintenance Fund	.07451	.07500	.07500	.07340	.07500	.07500	.07500	.07500	.07500	.07500
Worker's Compensation Fund	.00889	.00761	.01000	.01010	.01040	.01020	.00710	.00630	.00570	.00000
Audit Fund	.00500	.00500	.00370	.00220	.00500	.00500	.00500	.00420	.00490	.00470
Tort Liability Fund	.05433	.05578	.04500	.04300	.04900	.04670	.04790	.05090	.05270	.06630
Medicare Fund	.01581	.01623	.01730	.01930	.01980	.01950	.01900	.01410	.01350	.01290
Protection, Health and Safety Fund	.00721	.00894	.00980	.01070	.00800	.00490	.00530	.00470	.00490	.00490
Bond and Interest Fund	.07894	.08200	.08480	.08890	.09060	.08910	.08710	.08410	.07180	.06620
<b>Total Direct Rate</b>	<b>.61517</b>	<b>.62346</b>	<b>.61850</b>	<b>.61270</b>	<b>.63070</b>	<b>.62330</b>	<b>.61930</b>	<b>.61220</b>	<b>.60140</b>	<b>.60290</b>
<b>Total Rate</b>	<b>114.18540</b>	<b>116.16104</b>	<b>116.59345</b>	<b>115.30889</b>	<b>114.55430</b>	<b>115.11700</b>	<b>112.54720</b>	<b>111.90440</b>	<b>109.68050</b>	<b>109.18500</b>

**Source:** College's Business Office; County Clerk's Office

**Notes:**

- (1) The direct tax rates reported for the College are those of Vermilion County, as it comprises approximately 90% of the District.
- (2) Tax rates for property within the District are expressed in dollars per hundred dollars of equalized assessed value.

**Danville Area Community College  
Community College District No. 507**

**Computation of Direct and Overlapping Bond Debt  
General Obligation Bonds  
June 30, 2017**

<b>ISSUER (Overlapping)</b>	<b>Bonds Outstanding</b>	<b>Percent</b>	<b>Amount</b>
<b>Vermilion County</b>			
City of Danville	\$ 5,275,000	100.00%	\$ 5,275,000
City of Georgetown	595,000	100.00%	595,000
Village of Tilton	2,935,000	100.00%	2,935,000
Rankin Fire	295,000	99.88%	294,646
Rossville Fire	640,000	100.00%	640,000
Westville Fire	50,000	100.00%	50,000
Bismarck-Henning Unit 1	2,745,000	100.00%	2,745,000
Westville Unit 2	3,825,000	100.00%	3,825,000
Georgetown/Ridge Farm Unit 4	4,790,000	100.00%	4,790,000
Catlin Unit 5	775,000	100.00%	775,000
Rossville/Alvin Unit 7	3,240,000	100.00%	3,240,000
Heritage Unit 8C	5,630,000	80.84%	4,551,293
Potomac Unit 10	540,000	100.00%	540,000
Paxton-Buckley-Loda Unit 10F	33,952,000	99.99%	33,948,605
Hoopeston Unit 11	605,000	99.97%	604,819
Jamaica Unit 12	15,000	99.92%	14,988
Armstrong Unit 61	455,000	100.00%	455,000
Oakwood Unit 76	7,560,000	99.96%	7,556,976
Danville Unit 118	32,210,000	100.00%	32,210,000
Prairieview-Ogden Unit 197	1,002,000	98.17%	983,663
Armstrong High School 225	300,000	100.00%	300,000
St. Joseph High School 305	6,525,000	99.27%	6,477,368
Vermilion County	3,445,000	97.91%	3,373,000
<b>Total Vermilion County</b>	<b>117,404,000</b>		<b>116,180,357</b>
 Danville Area Community College District No. 507	 5,515,000	 100.00%	 5,515,000
<b>TOTAL</b>	<b>\$ 122,919,000</b>		<b>\$ 121,695,357</b>

**Source:** County Clerk Office

**Notes:**

- (1) Overlapping debt is reported for Vermilion County, as it comprises approximately 90% of the District.
- (2) Percent of overlap was calculated by dividing the taxable value of the taxing entity in the District by the total taxable value of the entity in Vermilion County.

**Danville Area Community College  
Community College District No. 507**

**Principal Property Taxpayers  
Current and Earliest Available Year**

Taxpayer	2016			2006		
	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total District Taxable Assessed Value
<b>Vermilion County</b>						
California Ridge Wind Energy	\$ 19,231,328	1	1.8928%	\$ -		
Apex Clean Energy	13,213,036	2	1.3004%	-		
Hanson Aggregate, Inc.	4,452,596	3	0.4382%	-		
Aqua Illinois	4,353,265	4	0.4285%	-		
Meijer Stores Limited Partnership	3,814,645	5	0.3754%	-		
Mc Lane Company Inc.	3,802,408	6	0.3742%	5,019,862	2	0.5657%
Farmland Reserves	2,863,465	7	0.2818%			
Wal Mart Stores Inc.	2,949,791	8	0.2903%	3,199,340	4	0.3606%
Quaker Manufacturing, LLC	2,948,015	9	0.2901%	2,014,334	10	0.2270%
Time O Matic	2,928,406	10	0.2882%	-		0.0000%
T Danville Mall LLC/Village Mall Center	-		0.0000%	4,004,803	3	0.4513%
Thyssen Krupp Presta Danville, LLC	2,588,327		0.2547%	2,433,214	7	0.2742%
Devonshire Village LLC	2,148,260		0.2114%	2,138,668	9	0.2410%
Danville Towne Centre LLC	2,103,250		0.2070%	3,174,472	5	0.3577%
Danville Polyclinic	1,626,038		0.1600%	2,279,836	8	0.2569%
Dynegy Property Tax	-		0.0000%	7,636,869	1	0.8606%
Carle Foundation	-		0.0000%	3,004,948	6	0.3386%
	<u>\$ 69,022,830</u>		<u>6.7933%</u>	<u>\$ 34,906,346</u>		<u>3.9338%</u>

**Source:** County Clerk Office

**Notes:**

- (1) Principal taxpayers are reported for Vermilion County, as it comprises approximately 90% of the District.
- (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2006 assessed valuation is the earliest year available.



**Danville Area Community College  
Community College District No. 507**

**Schedule of Property Tax Rates, Extensions and Collections  
Tax Levy Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

Tax Levy Year	2017	2015	2014	2013
Fiscal Year	2016	2016	2015	2014
<b>Assessed valuation</b>				
Vermilion	\$ 855,410,106	\$ 832,322,839	\$ 812,473,213	\$ 794,698,498
Edgar	91,114,490	87,460,426	83,277,719	77,310,479
Iroquois	49,372,504	46,902,425	44,360,394	43,361,728
Champaign	19,957,266	19,230,839	18,000,822	17,523,109
Ford	183,620	170,290	139,800	139,100
	<u>\$ 1,016,037,986</u>	<u>\$ 986,086,819</u>	<u>\$ 958,251,948</u>	<u>\$ 933,032,914</u>
<b>Tax rates (per \$100 of assessed valuation):</b>				
Education Fund	0.3705	0.3729	0.3729	0.3651
Building and Maintenance Fund	0.0745	0.0750	0.0750	0.0734
Worker's Compensation Fund	0.0090	0.0076	0.0100	0.0101
Audit Fund	0.0050	0.0050	0.0037	0.0022
Tort Liability Fund	0.0543	0.0558	0.0451	0.0430
Medicare Fund	0.0158	0.0162	0.0173	0.0193
Protection, Health and Safety Fund	0.0072	0.0089	0.0098	0.0107
Bond and Interest Fund	0.0789	0.0821	0.0848	0.0889
	<u>0.6152</u>	<u>0.6235</u>	<u>0.6185</u>	<u>0.6127</u>
<b>Tax extensions:</b>				
Education Fund	\$ 3,765,942	\$ 3,676,762	\$ 3,569,147	\$ 3,409,054
Building and Maintenance Fund	757,802	739,550	718,689	685,533
Worker's Compensation Fund	90,585	75,286	95,447	94,299
Audit Fund	50,801	49,303	35,183	20,082
Tort Liability Fund	553,652	551,811	431,749	401,158
Medicare Fund	161,116	160,553	165,693	180,559
Protection, Health and Safety Fund	73,451	88,427	93,907	100,347
Bond and Interest Fund	805,661	812,308	813,990	830,865
	<u>\$ 6,259,010</u>	<u>\$ 6,154,000</u>	<u>\$ 5,923,805</u>	<u>\$ 5,721,897</u>
<b>Total tax extensions</b>	<u>\$ 6,259,010</u>	<u>\$ 6,154,000</u>	<u>\$ 5,923,805</u>	<u>\$ 5,721,897</u>

**Source:** College's Business Office

	2012	2011	2010	2009	2008	2007
	2013	2012	2011	2010	2009	2008
\$	784,487,938	\$ 805,521,378	\$ 835,462,404	\$ 855,504,867	\$ 864,226,867	\$ 842,065,961
	73,076,011	69,215,168	64,963,358	61,403,001	56,857,322	54,387,999
	41,968,744	40,353,823	39,232,856	37,553,293	35,575,588	33,946,106
	11,843,380	11,100,541	10,727,380	10,216,065	9,951,199	9,497,921
	133,480	128,560	122,050	117,910	117,680	114,270
\$	911,509,553	\$ 926,319,470	\$ 950,508,048	\$ 964,795,136	\$ 966,728,656	\$ 940,012,257
	0.3729	0.3729	0.3729	0.3729	0.3729	0.3729
	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
	0.0104	0.0102	0.0071	0.0063	0.0057	0.0059
	0.0050	0.0050	0.0050	0.0042	0.0049	0.0047
	0.0490	0.0467	0.0479	0.0509	0.0527	0.0604
	0.0198	0.0195	0.0190	0.0141	0.0135	0.0129
	0.0080	0.0049	0.0053	0.0047	0.0049	0.0049
	0.0906	0.0891	0.0871	0.0841	0.0718	0.0662
	0.6307	0.6233	0.6193	0.6122	0.6014	0.6029
\$	3,400,883	\$ 3,454,000	\$ 3,544,651	\$ 3,598,682	\$ 3,611,948	\$ 3,484,726
	683,632	694,738	712,923	723,790	726,458	700,870
	94,652	94,327	67,457	60,798	55,211	55,135
	45,575	46,316	47,528	40,532	47,462	43,921
	446,239	432,031	455,126	491,212	510,458	564,434
	180,350	180,353	180,585	136,072	130,762	120,550
	72,761	45,294	50,353	43,358	47,462	45,790
	826,387	825,346	828,588	811,609	695,462	618,635
\$	5,750,479	\$ 5,772,405	\$ 5,887,211	\$ 5,906,053	\$ 5,825,223	\$ 5,634,061

**Danville Area Community College  
Community College District No. 507**

**Property Tax Levies and Collections**

**Tax Levy Years Ended December 31, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, and 2007**

Tax Levy Year	Fiscal year Ended June 30,	Tax Levy	Collected within the Fiscal Year of the Levy		Collections Subsequent to the Fiscal Year of the Levy	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2016	2017	\$ 6,232,412	\$ 66,318	1.06%	\$ -	\$ 66,318	1.06%
2015	2016	6,157,744	49,631	0.81%	6,062,573	6,112,204	99.26%
2014	2015	5,932,547	61,734	1.04%	5,823,306	5,885,040	99.20%
2013	2014	5,703,979	76,949	1.35%	5,591,122	5,668,071	99.37%
2012	2013	5,936,261	42,103	0.71%	5,627,828	5,669,931	95.51%
2011	2012	6,102,587	39,708	0.65%	5,678,235	5,717,943	93.70%
2010	2011	6,152,517	36,805	0.60%	5,782,523	5,819,328	94.58%
2009	2010	6,183,300	34,127	0.55%	5,801,784	5,835,911	94.38%
2008	2009	5,944,877	32,237	0.54%	5,746,765	5,779,002	97.21%
2007	2008	5,643,308	28,798	0.51%	5,621,665	5,650,463	100.13%
2006	2007	5,407,830	28,357	0.52%	5,385,855	5,414,212	100.12%

**Source:** College's Business Office

**Danville Area Community College  
Community College District No. 507**

**Enrollment, Tuition and Fee Rates, Credit Hours, and Tuition and Fee Revenues Generated  
Last Ten Fiscal Years**

Fiscal Year	Fall Term Enrollment		Tuition and Fee Rates				Tuition and Fee Revenues		
	Credit Headcount	Full-Time Equivalent	In District Tuition and Fees per Credit Hour	Out of District Tuition and Fees per Credit Hour	Out of State Tuition and Fees per Credit Hour	Total Credit Hours Generated	Tuition	Fees	Total
2017	3,872	1,620	\$ 140.00	\$ 235.00	\$ 235.00	44,383.5	\$ 5,047,363	\$ 1,575,116	6,622,479
2016	4,300	1,880	130.00	205.00	205.00	48,164.5	5,100,658	1,588,651	6,689,309
2015	4,614	1,884	125.00	205.00	205.00	51,588.5	4,749,004	1,543,734	6,292,738
2014	4,981	2,011	120.00	202.00	202.00	54,674.0	5,059,679	1,499,697	6,559,376
2013	5,348	2,031	110.00	202.00	202.00	55,998.5	4,562,071	1,582,115	6,144,186
2012	5,714	2,193	107.00	197.00	197.00	60,858.0	4,852,690	1,590,044	6,442,734
2011	5,094	2,364	101.00	187.00	187.00	65,347.0	5,021,362	1,739,766	6,761,128
2010	5,254	2,382	91.00	162.00	162.00	67,180.0	4,249,472	1,662,221	5,911,693
2009	4,552	1,846	84.00	160.00	160.00	53,736.0	3,344,862	1,072,690	4,417,552
2008	5,012	1,973	78.00	160.00	160.00	52,949.0	3,033,399	1,089,617	4,123,016

**Source:** College's Annual Financial Reports; College's Business Office

**Note:** Tuition and Fee Revenues may differ from the Statement of Revenues, Expenses, and Changes in Net Assets as they are shown on this Schedule before adjustment for scholarship allowance.

**Danville Area Community College  
Community College District No. 507**

**Legal Debt Margin Information  
Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Debt Limit Rate</b>	<b>Debt Limit (Assessed Value x Debt Limit Rate)</b>	<b>Net Debt Applicable to Debt Limit (1)(2)</b>	<b>Legal Debt Margin</b>	<b>Net Debt Applicable to Debt Limit as a Percentage of Debt Limit</b>
2016	2017	\$ 1,016,037,986	2.875%	\$ 29,211,092	\$ 4,756,152	24,454,940	16.28%
2015	2016	986,086,819	2.875%	28,349,996	5,503,102	22,846,894	19.41%
2014	2015	958,251,948	2.875%	27,549,744	5,227,243	22,322,501	18.97%
2013	2014	933,032,914	2.875%	26,824,696	4,871,298	21,953,398	18.16%
2012	2013	911,509,553	2.875%	26,205,900	2,551,063	23,654,837	9.73%
2011	2012	926,319,470	2.875%	26,631,685	2,247,416	24,384,269	8.44%
2010	2011	950,508,048	2.875%	27,327,106	2,922,595	24,404,511	10.69%
2009	2010	964,795,136	2.875%	27,737,860	2,102,447	25,635,413	7.58%
2008	2009	966,728,656	2.875%	27,793,449	1,762,884	26,030,565	6.34%
2007	2008	940,012,257	2.875%	27,025,352	1,399,993	25,625,359	5.18%

**Source:** College's Annual Financial Reports

**Notes:**

- (1) Balances include current and non-current portions of non-general obligation debt outstanding, less net assets restricted for debt service.
- (2) Details of the College's outstanding debt can be found in the notes to the financial statements.

**Danville Area Community College  
Community College District No. 507**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Tax Levy Year	Fiscal Year	Assessed Value	General Obligation Bonds	Capital Leases	Total	Ratio of Outstanding Debt to Assessed Value	Per Capita	Percentage of Personal Income
2016	2017	\$ 1,016,037,986	\$ 5,515,000	\$ 64,294	\$ 5,579,294	0.5491%	\$ 65.50	DNA
2015	2016	986,086,819	6,270,000	115,994	6,385,994	0.6476%	74.97	44.23%
2014	2015	958,251,948	5,995,000	165,383	6,160,383	0.6429%	71.39	45.31%
2013	2014	933,032,914	5,745,000	212,566	5,957,566	0.6385%	69.04	48.40%
2012	2013	911,509,553	3,460,000	-	3,460,000	0.3796%	39.89	79.18%
2011	2012	926,319,470	3,165,000	51,964	3,216,964	0.3473%	36.73	82.65%
2010	2011	950,508,048	3,810,000	101,735	3,911,735	0.4115%	44.74	65.74%
2009	2010	964,795,136	2,990,000	149,549	3,139,549	0.3254%	35.91	78.33%
2008	2009	966,728,656	2,570,000	210,660	2,780,660	0.2876%	32.21	88.47%
2007	2008	940,012,257	2,125,000	22,018	2,147,018	0.2284%	24.67	106.14%

**Source:** College's Business Office

DNA - Data not available

**Danville Area Community College  
Community College District No. 507**

**Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Tax Levy Year</b>	<b>Fiscal Year</b>	<b>Estimated Population</b>	<b>Assessed Value</b>	<b>Gross Bonded Debt</b>	<b>Less Debt Service Funds</b>	<b>Net General Bonded Debt</b>	<b>Ratio of Net General Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
2016	2017	85,178	\$ 1,016,037,986	\$ 5,515,000	\$ 758,848	\$ 4,756,152	0.46811%	55.84
2015	2016	85,178	986,086,819	6,270,000	766,898	5,503,102	0.55807%	64.61
2014	2015	86,288	958,251,948	5,995,000	767,757	5,227,243	0.54550%	60.58
2013	2014	86,288	933,032,914	5,745,000	873,702	4,871,298	0.52209%	56.45
2012	2013	86,744	911,509,553	3,460,000	908,937	2,551,063	0.27987%	29.41
2011	2012	87,574	926,319,470	3,165,000	917,584	2,247,416	0.24262%	25.66
2010	2011	87,438	950,508,048	3,810,000	887,405	2,922,595	0.30748%	33.42
2009	2010	87,438	964,795,136	2,990,000	887,553	2,102,447	0.21792%	24.05
2008	2009	86,342	966,728,656	2,570,000	807,116	1,762,884	0.18236%	20.42
2007	2008	87,032	940,012,257	2,125,000	725,007	1,399,993	0.14893%	16.09

**Source:** College's Business Office (population from Illinois Community College Board)

**Danville Area Community College  
Community College District No. 507**

**Demographic and Economic Statistics  
Last Ten Fiscal Years**

Tax Levy Year	Fiscal Year	District Population	District Assessed Value	District Per Capita Assessed Value	Danville, IL Metropolitan Statistical Area		
					Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2015	2016	85,178	\$ 1,016,037,986	\$ 11,928.41	\$ DNA	\$ DNA	7.20 %
2015	2016	85,178	986,086,819	11,576.78	2,824,827	35,630	7.10 %
2014	2015	86,288	958,251,948	11,105.27	2,791,196	35,009	8.60 %
2013	2014	86,288	933,032,914	10,813.01	2,883,170	35,892	10.70 %
2012	2013	86,744	911,509,553	10,508.04	2,739,650	33,937	9.90 %
2011	2012	87,574	926,319,470	10,577.56	2,658,710	32,619	10.60 %
2010	2011	87,438	950,508,048	10,870.65	2,571,636	31,520	12.10 %
2009	2010	87,438	964,795,136	11,034.05	2,459,067	30,713	11.40 %
2008	2009	86,342	966,728,656	11,196.51	2,459,916	30,576	7.90 %
2007	2008	87,032	940,012,257	10,800.77	2,278,831	28,165	6.50 %

**Source:** College's Business Office (population from Illinois Community College Board); Regional Economic Information System, Bureau of Economic Analysis, U.S. Department of Commerce; Illinois Department of Employment Security

DNA - Data not available



**Danville Area Community College  
Community College District No. 507**

**Principal Employers  
Current and Thirteen Years Ago**

Taxpayer	2017			2004		
	Employees	Rank	Percentage to Total	Employees	Rank	Percentage to Total
<b>Vermilion County</b>						
Vermilion County Public Schools	1,197	1	4.7913%	2,300	1	8.4865%
Dept. of Veterans Affairs Illiana Healthcare System	856	2	3.4263%	1,016	2	3.7488%
ThyssenKrupp (Crankshaft & Presta)	818	3	3.2742%	-		0.0000%
McLane Midwest Company	770	4	3.0821%	705	5	2.6013%
Danville District #118	739	5	2.9580%	842	4	3.1068%
Vermilion County Government	586	6	2.3456%	600	9	2.2139%
Quaker Foods & Beverages	510	7	2.0414%	592	10	2.1843%
KIK Custom Products (formerly CCL Custom)	499	8	1.9974%	-		0.0000%
Presence Health (Provena) United Samaritans Medical Center	488	9	1.9533%	860	3	3.1732%
GenPact	372	10	1.4890%	-		0.0000%
Krupp Gerlach (all 3 divisions)	-		0.0000%	663	6	2.4463%
CCL	-		0.0000%	637	7	2.3504%
Walgreens Accounting	-		0.0000%	608	8	2.2434%
	<u>6,835</u>		<u>27.3586%</u>	<u>8,823</u>		<u>32.5548%</u>
 Total number of employees	<u>24,983</u>			<u>27,102</u>		

**Source:** Vermilion Advantage

**Notes:**

- (1) Every effort has been made to seek out and report the principal employers of the District. There are five counties in the District and Vermilion County represents approximately 90% of the total taxable Estimated Assessed Valuation (EAV) of the District. Therefore, this schedule was limited to this county and includes the major taxpayers in that county in our district.
- (2) Data was unable to be obtained for the period ten years prior to the current year, therefore, what is available is what is being reported, which is twelve years ago.
- (3) The total number of employees represents the total number of employees in Vermilion county as a whole.

**Danville Area Community College  
Community College District No. 507**

**Capital Asset Statistics  
Last Ten Fiscal Years**

<b>Facilities Data</b>	<b>Fiscal Year</b>									
	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Size of campus (acres)	71	71	71	71	71	71	71	71	71	71
Gross Square Footage (GSF)	466,950	466,950	466,950	456,365	456,365	445,553	445,553	445,553	445,553	445,553
Number of classrooms	98	103	103	98	98	92	92	92	92	92
Number of laboratories (including computer labs)	70	70	70	62	62	63	63	63	63	63

**Source:** Administrative Services Department

**Danville Area Community College  
Community College District No. 507**

**Operating Information and Employees  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Enrollment (Fall Unduplicated Headcount)</b>	3,872	4,300	4,614	4,981	5,348	5,714	5,094	5,254	4,552	5,012
<b>Degrees awarded</b>										
Associate in Science and Arts (ASA)	183	167	140	131	133	109	115	101	110	106
Associate in Applied Science (AAS)	145	167	132	162	129	169	147	130	127	136
Associate in Engineering Studies (AES)	1	2	2	2	3	3	0	1	4	3
Associate in Fine Arts (AFA)	0	1	-	-	-	-	-	-	-	-
Associate in General Studies (AGS)	66	77	32	43	58	26	26	18	19	22
	<u>395</u>	<u>414</u>	<u>306</u>	<u>338</u>	<u>323</u>	<u>307</u>	<u>288</u>	<u>250</u>	<u>260</u>	<u>267</u>
<b>Certificates awarded</b>	<u>339</u>	<u>370</u>	<u>328</u>	<u>320</u>	<u>328</u>	<u>396</u>	<u>497</u>	<u>335</u>	<u>430</u>	<u>247</u>
<b>Faculty</b>										
Full-time	65	63	68	68	61	58	59	56	54	54
Part-time	63	63	61	79	85	96	97	96	96	102
	<u>128</u>	<u>126</u>	<u>129</u>	<u>147</u>	<u>146</u>	<u>154</u>	<u>156</u>	<u>152</u>	<u>150</u>	<u>156</u>
<b>Faculty and Staff</b>										
Full-time	177	173	193	197	180	170	184	174	174	168
Part-time	66	69	76	91	92	101	104	104	104	108
	<u>243</u>	<u>242</u>	<u>269</u>	<u>288</u>	<u>272</u>	<u>271</u>	<u>288</u>	<u>278</u>	<u>278</u>	<u>276</u>
<b>Full-Time Employees by Classification</b>										
Admin/Mgr/Prof	60	57	67	71	63	58	61	54	54	52
Faculty	63	63	68	68	61	58	59	56	54	54
Support Staff	54	53	58	58	56	54	64	64	66	62
Total	<u>177</u>	<u>173</u>	<u>193</u>	<u>197</u>	<u>180</u>	<u>170</u>	<u>184</u>	<u>174</u>	<u>174</u>	<u>168</u>
<b>Students/Faculty</b>										
Full-time	60	68	68	73	88	99	86	94	84	93
Part-time	61	68	76	63	63	60	53	55	47	49
Total	30	34	36	34	37	37	33	35	30	32

**Source:** College's Office of Institutional Effectiveness; College Administrative Data Management Systems

DNA - Data not available

**Danville Area Community College  
Community College District No. 507**

**Operating Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Instructional Expenses</b>	<b>Enrollment</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Faculty</b>	<b>Student/Faculty Ratio</b>
2017 \$	7,891,261	3,872 \$	2,038	7.48%	128	30
2016	8,153,578	4,300	1,896	5.63%	126	34
2015	8,282,774	4,614	1,795	9.41%	129	36
2014	8,172,747	4,981	1,641	14.29%	147	34
2013	7,677,960	5,348	1,436	7.38%	146	37
2012	7,639,489	5,714	1,337	-8.80%	154	37
2011	7,467,535	5,094	1,466	4.03%	156	33
2010	7,403,529	5,254	1,409	-1.38%	152	35
2009	6,503,984	4,552	1,429	8.10%	150	30
2008	6,624,900	5,012	1,322	5.69%	156	32

**Source:** College's Business Office; College's Annual Financial Reports; College's Human Resources Office

DNA - Data not available

**SPECIAL REPORTS SECTION**

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
SUPPLEMENTAL FINANCIAL INFORMATION SECTION**

**June 30, 2017**

**MANAGEMENT INFORMATION STATEMENTS**

The following supplemental financial information is maintained for management information purposes.

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**UNIFORM FINANCIAL STATEMENTS**

The Uniform Financial Statements are required by the Illinois Community College Board (ICCB) for the purpose of providing consistent audited data for every community college district. Regardless of the basis of accounting used for a College’s Statement of Net Assets, Statement of Revenues, Expenses, and Changes in Net Assets, the Uniform Financial Statements are completed using the accrual basis of accounting and a total financial resource measurement focus prescribed by ICCB. The Uniform Financial Statements include the following:

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**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
SUPPLEMENTAL FINANCIAL INFORMATION SECTION**

**June 30, 2017**

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**DANVILLE AREA COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF NET POSITION, BY SUBFUND**  
Year Ended June 30, 2017

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest	Auxiliary Enterprises	Restricted Purposes
<b>ASSETS</b>						
Current Assets						
Cash	\$ 96,767	\$ 48,142	\$ 1,581,554	\$ 9,769	\$ 1,504,417	\$ 566,940
Receivables (net of allowance for uncollectibles):						
Property taxes, net	3,669,550	738,406	71,571	785,040	-	-
Student tuition and fees, net	3,694,046	-	-	-	3,473	26,960
Government claims	68,924	28,539	-	-	13,441	706,375
Other	8,920	1,656	132,263	-	87,901	21,119
Prepaid expenses	138,350	-	-	-	-	-
Due from other funds	-	-	-	-	207,500	-
Inventories	-	-	-	-	-	-
Total Current Assets	<u>7,676,557</u>	<u>816,743</u>	<u>1,785,388</u>	<u>794,809</u>	<u>1,816,732</u>	<u>1,321,394</u>
Noncurrent Assets						
Capital assets, net of accumulated depreciation	-	-	-	-	589,080	-
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>589,080</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u><b>7,676,557</b></u>	<u><b>816,743</b></u>	<u><b>1,785,388</b></u>	<u><b>794,809</b></u>	<u><b>2,405,812</b></u>	<u><b>1,321,394</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Subsequent year's pension expense related to federal, trust, or grant contributions in the current year	-	-	-	-	-	-
<b>LIABILITIES</b>						
Current Liabilities						
Accounts payable	215,631	-	-	-	31,376	-
Accrued expenses	291,211	823	116,733	35,961	4,164	22,049
Due to other funds	3,500,000	200,000	-	-	-	200,000
Due to student groups	-	-	-	-	-	-
Deposits held in custody for others	-	-	-	-	-	-
Deferred tuition revenue	3,271,358	-	-	-	-	-
Other deferred revenue	-	-	-	-	-	26,083
Capital lease obligations, current maturities	-	-	-	-	-	-
Bonds payable, current maturities	-	-	-	-	-	-
Accrued compensated absences, current maturities	-	-	-	-	-	-
Total Current Liabilities	<u>7,278,200</u>	<u>200,823</u>	<u>116,733</u>	<u>35,961</u>	<u>35,540</u>	<u>248,132</u>
Noncurrent Liabilities						
Capital lease obligations, less current maturities	-	-	-	-	-	-
Bonds payable, less current maturities	-	-	-	-	-	-
Accrued compensated absences	-	-	-	-	-	-
Total Noncurrent Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,278,200</b></u>	<u><b>200,823</b></u>	<u><b>116,733</b></u>	<u><b>35,961</b></u>	<u><b>35,540</b></u>	<u><b>248,132</b></u>
<b>NET POSITION</b>						
Investment in capital assets, net of related debt	-	-	-	-	589,080	-
Restricted for:						
Capital projects	-	-	1,668,655	-	-	-
Debt service	-	-	-	758,848	-	-
Grant purposes	-	-	-	-	-	1,073,262
Working cash	-	-	-	-	-	-
Audit purposes	-	-	-	-	-	-
Liability insurance	-	-	-	-	-	-
Unrestricted	398,357	615,920	-	-	1,781,192	-
<b>TOTAL NET POSITION</b>	<u><b>\$ 398,357</b></u>	<u><b>\$ 615,920</b></u>	<u><b>\$ 1,668,655</b></u>	<u><b>\$ 758,848</b></u>	<u><b>\$ 2,370,272</b></u>	<u><b>\$ 1,073,262</b></u>

**Note 1:** This schedule is supplemental information and is maintained for management.

**Note 2:** The accompanying notes are an integral part of these statements.



Working Cash	Agency	Audit	Liability Protection and Settlement	Board Restricted	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ 1,729,723	\$ 1,547	\$ 754	\$ 155,667	\$ 4,792,352	\$ -	\$ -	\$ -	\$ 10,487,632
-	-	49,500	784,741	-	-	-	-	6,098,808
-	-	-	-	-	-	-	(2,625,806)	1,098,673
-	-	-	-	-	-	-	-	817,279
-	-	-	-	-	-	-	-	251,859
-	-	-	-	-	-	-	-	138,350
3,700,000	-	-	-	-	-	-	(3,907,500)	-
-	-	-	-	-	-	-	-	-
5,429,723	1,547	50,254	940,408	4,792,352	-	-	(6,533,306)	18,892,601
-	-	-	-	-	-	36,913,440	-	37,502,520
-	-	-	-	-	-	36,913,440	-	37,502,520
5,429,723	1,547	50,254	940,408	4,792,352	-	36,913,440	(6,533,306)	56,395,121
-	-	-	-	-	-	-	63,075	63,075
-	-	-	-	-	-	-	-	247,007
-	-	-	898	-	-	-	-	471,839
-	-	7,500	-	-	-	-	(3,907,500)	-
-	-	-	-	-	-	-	-	-
-	1,547	-	-	-	-	-	-	1,547
-	-	-	-	-	-	-	(2,960,689)	310,669
-	-	-	-	-	-	-	-	26,083
-	-	-	-	-	53,144	-	-	53,144
-	-	-	-	-	715,000	-	-	715,000
-	-	-	-	-	240,000	-	-	240,000
-	1,547	7,500	898	-	1,008,144	-	(6,868,189)	2,065,289
-	-	-	-	-	11,150	-	-	11,150
-	-	-	-	-	4,800,000	-	-	4,800,000
-	-	-	-	-	65,121	-	-	65,121
-	-	-	-	-	4,876,271	-	-	4,876,271
-	1,547	7,500	898	-	5,884,415	-	(6,868,189)	6,941,560
-	-	-	-	-	(5,579,294)	36,913,440	-	31,923,226
-	-	-	-	-	-	-	-	1,668,655
-	-	-	-	-	-	-	-	758,848
-	-	-	-	-	-	-	-	1,073,262
5,429,723	-	-	-	-	-	-	-	5,429,723
-	-	42,754	-	-	-	-	-	42,754
-	-	-	939,510	-	-	-	-	939,510
-	-	-	-	4,792,352	(305,121)	-	397,958	7,680,658
\$ 5,429,723	\$ -	\$ 42,754	\$ 939,510	\$ 4,792,352	\$ (5,884,415)	\$ 36,913,440	\$ 397,958	\$ 49,516,636

**DANVILLE AREA COMMUNITY COLLEGE**  
**COMBINING SCHEDULE OF CHANGES IN NET POSITION, BY SUBFUND**  
**Year Ended June 30, 2017**

	Education	Operations and Maintenance	Operations and Maintenance Restricted	Bond and Interest	Auxiliary Enterprises
<b>REVENUES</b>					
Operating Revenues:					
Student tuition and fees, net	\$ 5,943,035	\$ 650,000	\$ -	\$ -	\$ -
Auxiliary revenues	-	-	-	-	572,581
Other operating revenues	27,663	80,663	-	-	-
Total operating revenues	<u>5,970,698</u>	<u>730,663</u>	<u>-</u>	<u>-</u>	<u>572,581</u>
<b>EXPENSES</b>					
Operating Expenses:					
Instruction	7,367,812	-	-	-	-
Academic support	968,749	-	-	-	-
Student services	1,665,940	-	-	-	-
Public services	352,584	-	-	-	-
Auxiliary enterprises	-	-	-	-	455,973
Operations and maintenance of plant	-	2,189,420	217,697	-	-
Institutional support	2,962,893	-	-	-	-
SURS contribution provided by State	7,542,793	-	-	-	-
Scholarships, grants and waivers	-	-	-	-	-
Depreciation expense	-	-	-	-	20,804
Total operating expenses	<u>20,860,771</u>	<u>2,189,420</u>	<u>217,697</u>	<u>-</u>	<u>476,777</u>
Operating income (loss)	<u>(14,890,073)</u>	<u>(1,458,757)</u>	<u>(217,697)</u>	<u>-</u>	<u>95,804</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
State grants and contracts	1,767,921	166,940	-	-	-
Property taxes	3,739,631	752,506	73,075	800,245	-
Personal property replacement tax	436,200	185,943	-	-	-
Federal grants and contracts	5,967	-	-	-	-
Local grants and contracts	4,679	941	113	1,034	-
SURS contribution provided by State	7,542,793	-	-	-	-
Investment income earned	1,560	2,335	14,621	894	-
Other non-operating revenues	109,666	27,169	108,800	100,000	-
Debt Service					
Principal	-	-	-	(755,000)	-
Interest	-	-	-	(202,210)	-
Non-operating revenues (expenses), net	<u>13,608,417</u>	<u>1,135,834</u>	<u>196,609</u>	<u>(55,037)</u>	<u>-</u>
<b>CAPITAL CONTRIBUTIONS</b>					
Capital contributions	-	-	-	-	-
Total capital contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond proceeds	-	-	-	-	-
Gain on disposal of assets	-	-	-	-	-
Transfer in	422,007	-	80,129	46,987	40,000
Transfer out	(68,087)	-	(27,007)	-	(340,000)
Total financing sources (uses)	<u>353,920</u>	<u>-</u>	<u>53,122</u>	<u>46,987</u>	<u>(300,000)</u>
<b>NET CHANGE IN NET POSITION</b>	<u>(927,736)</u>	<u>(322,923)</u>	<u>32,034</u>	<u>(8,050)</u>	<u>(204,196)</u>
<b>NET POSITION, BEGINNING OF YEAR</b>	<u>1,326,093</u>	<u>938,843</u>	<u>1,636,621</u>	<u>766,898</u>	<u>2,574,468</u>
<b>NET POSITION, END OF YEAR</b>	<u>\$ 398,357</u>	<u>\$ 615,920</u>	<u>\$ 1,668,655</u>	<u>\$ 758,848</u>	<u>\$ 2,370,272</u>

**Note 1:** This schedule is supplemental information and is maintained for management.

**Note 2:** The accompanying notes are an integral part of these statements.

Restricted Purposes	Working Cash	Audit	Liability Protection and Settlement	Board Restricted	Long-Term Obligations	Capital Assets	Eliminations	Total
\$ 287,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,756,988)	\$ 4,123,692
-	-	-	-	-	-	-	(17,811)	554,770
6,075	-	-	-	-	-	-	(77,951)	36,450
293,720	-	-	-	-	-	-	(2,852,750)	4,714,912
555,479	-	-	-	-	-	(25,000)	(7,030)	7,891,261
-	-	-	-	-	-	-	-	968,749
342,202	-	-	-	26,666	-	-	(5,442)	2,029,366
990,456	-	-	-	-	-	-	(243,180)	1,099,860
6,000	-	-	-	-	-	-	-	461,973
-	-	-	-	-	-	(230,801)	-	2,176,316
151,870	-	43,100	877,133	56,000	6,954	(35,760)	(58,184)	4,004,006
-	-	-	-	-	-	-	1,593	7,544,386
5,223,124	-	-	-	-	-	-	(3,612,242)	1,610,882
-	-	-	-	-	-	1,859,077	-	1,879,881
7,269,131	-	43,100	877,133	82,666	6,954	1,567,516	(3,924,485)	29,666,680
(6,975,411)	-	(43,100)	(877,133)	(82,666)	(6,954)	(1,567,516)	1,071,735	(24,951,768)
332,257	-	-	-	-	-	-	-	2,267,118
-	-	50,443	799,739	-	-	-	-	6,215,639
-	-	-	-	-	-	-	-	622,143
6,409,471	-	-	-	-	-	-	(982,392)	5,433,046
6,090	-	63	1,002	-	-	-	-	13,922
-	-	-	-	-	-	-	-	7,542,793
6,166	45,582	-	741	38,420	-	-	-	110,319
56,000	-	-	-	15,660	-	-	(7,607)	409,688
-	-	-	-	-	806,700	-	(51,700)	-
-	-	-	-	-	-	-	(4,185)	(206,395)
6,809,984	45,582	50,506	801,482	54,080	806,700	-	(1,045,884)	22,408,273
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
153,999	-	-	-	-	-	-	-	743,122
(109,317)	(45,582)	-	-	(153,129)	-	-	-	(743,122)
44,682	(45,582)	-	-	(153,129)	-	-	-	-
(120,745)	-	7,406	(75,651)	(181,715)	799,746	(1,567,516)	25,851	(2,543,495)
1,194,007	5,429,723	35,348	1,015,161	4,974,067	(6,684,161)	38,480,956	372,107	52,060,131
\$ 1,073,262	\$ 5,429,723	\$ 42,754	\$ 939,510	\$ 4,792,352	\$ (5,884,415)	\$ 36,913,440	\$ 397,958	\$ 49,516,636

**DANVILLE AREA COMMUNITY COLLEGE**  
**STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES IN FUND BALANCE**  
**(BUDGETARY BASIS)**  
**BUDGET COMPARED TO ACTUAL**  
**OPERATING FUNDS (EDUCATION/OPERATIONS AND MAINTENANCE)**  
**Year Ended June 30, 2017**

	<u>Budget</u>	<u>Education</u>	<u>Operations and Maintenance</u>	<u>Total</u>	<u>Variance Favorable (Unfavorable)</u>
<b>RECEIPTS</b>					
Property taxes	\$ 4,360,000	\$ 3,739,631	\$ 752,506	\$ 4,492,137	\$ 132,137
Personal property replacement tax	500,000	436,200	185,943	622,143	122,143
State grants and contracts	2,004,350	1,767,921	166,940	1,934,861	(69,489)
Federal grants and contracts	7,000	5,967	-	5,967	(1,033)
Student tuition and fees, net	6,582,000	5,943,035	650,000	6,593,035	11,035
Investment income earned	10,500	1,560	2,335	3,895	(6,605)
Miscellaneous	151,750	142,008	108,773	250,781	99,031
Total receipts	<u>13,615,600</u>	<u>12,036,322</u>	<u>1,866,497</u>	<u>13,902,819</u>	<u>287,219</u>
<b>DISBURSEMENTS</b>					
Instruction	7,514,450	7,367,812	-	7,367,812	146,638
Academic support	1,034,315	968,749	-	968,749	65,566
Student services	1,697,986	1,665,940	-	1,665,940	32,046
Public services	311,351	352,584	-	352,584	(41,233)
Operations and maintenance of plant	2,108,195	-	2,189,420	2,189,420	(81,225)
Institutional support	2,614,203	2,962,893	-	2,962,893	(348,690)
Total disbursements	<u>15,280,500</u>	<u>13,317,978</u>	<u>2,189,420</u>	<u>15,507,398</u>	<u>(226,898)</u>
Excess (deficiency) of receipts over disbursements (Budgetary Basis)	<u>(1,664,900)</u>	<u>(1,281,656)</u>	<u>(322,923)</u>	<u>(1,604,579)</u>	<u>60,321</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	415,000	422,007	-	422,007	7,007
Transfer out	(42,500)	(68,087)	-	(68,087)	(25,587)
Total other financing sources (uses)	<u>372,500</u>	<u>353,920</u>	<u>-</u>	<u>353,920</u>	<u>(18,580)</u>
Excess (deficiency) of receipts over disbursements and other financing sources (uses)	<u>\$ (1,292,400)</u>	<u>(927,736)</u>	<u>(322,923)</u>	<u>(1,250,659)</u>	<u>\$ 41,741</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>		1,326,093	938,843	2,264,936	
<b>FUND BALANCE, END OF YEAR</b>		<u>\$ 398,357</u>	<u>\$ 615,920</u>	<u>\$ 1,014,277</u>	

**Note:** On-behalf contributions provided by the State of Illinois were excluded for purposes of this schedule. These are not budgeted items as the amounts are determined each year by the State of Illinois

**DANVILLE AREA COMMUNITY COLLEGE  
ALL FUNDS SUMMARY  
UNIFORM FINANCIAL STATEMENT NO. 1  
Year Ended June 30, 2017**

	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Operations and Maintenance Fund (Restricted)</b>	<b>Bond and Interest Fund</b>
<b>FUND BALANCE JULY 1, 2016</b>	\$ 4,472,753	\$ 2,766,250	\$ 1,636,621	\$ 766,898
<b>Revenues</b>				
Local tax revenue	3,739,631	752,506	73,075	800,245
All other local revenue	440,879	186,884	113	1,034
ICCB grants	1,767,921	166,940	-	-
All other state revenue	-	-	-	-
Federal revenue	5,967	-	-	-
Student tuition and fees	5,943,035	650,000	-	-
All other revenue	153,059	150,077	123,421	100,894
<b>Total revenues</b>	<b>12,050,492</b>	<b>1,906,407</b>	<b>196,609</b>	<b>902,173</b>
<b>Expenditures by Program</b>				
Instruction	7,367,812	-	-	-
Academic support	968,749	-	-	-
Student services	1,692,606	-	-	-
Public service/Continuing education	352,584	-	-	-
Auxiliary services	-	-	-	-
Operations and maintenance	-	2,189,420	217,697	-
Institutional support	3,018,893	-	-	957,210
Scholarships, student grants, waivers	-	-	-	-
<b>Total expenditures</b>	<b>13,400,644</b>	<b>2,189,420</b>	<b>217,697</b>	<b>957,210</b>
<b>Net transfers</b>	<b>280,920</b>	<b>(80,129)</b>	<b>53,122</b>	<b>46,987</b>
<b>FUND BALANCE JUNE 30, 2017</b>	<b>\$ 3,403,521</b>	<b>\$ 2,403,108</b>	<b>\$ 1,668,655</b>	<b>\$ 758,848</b>

Excludes SURS on behalf payments of \$7,542,793

<b>Auxiliary Enterprises Fund</b>	<b>Restricted Purposes Fund</b>	<b>Working Cash Fund</b>	<b>Audit Fund</b>	<b>Liability, Protection Settlement Fund</b>	<b>Total All Funds</b>	<b>Total Current Funds Only</b>
\$ 2,574,468	\$ 1,194,007	\$ 5,429,723	\$ 35,348	\$ 1,015,161	\$ 19,891,229	\$ 12,450,273
-	-	-	50,443	799,739	6,215,639	5,342,319
-	6,090	-	63	1,002	636,065	634,918
-	211,490	-	-	-	2,146,351	2,146,351
-	120,767	-	-	-	120,767	120,767
-	5,427,079	-	-	-	5,433,046	5,433,046
-	287,645	-	-	-	6,880,680	6,880,680
572,581	68,241	45,582	-	741	1,214,596	944,699
572,581	6,121,312	45,582	50,506	801,482	22,647,144	21,502,780
-	555,479	-	-	-	7,923,291	7,923,291
-	-	-	-	-	968,749	968,749
-	342,202	-	-	-	2,034,808	2,034,808
-	990,456	-	-	-	1,343,040	1,343,040
476,777	6,000	-	-	-	482,777	482,777
-	-	-	-	-	2,407,117	2,189,420
-	151,870	-	43,100	877,133	5,048,206	4,090,996
-	4,240,732	-	-	-	4,240,732	4,240,732
476,777	6,286,739	-	43,100	877,133	24,448,720	23,273,813
(300,000)	44,682	(45,582)	-	-	-	(54,527)
\$ 2,370,272	\$ 1,073,262	\$ 5,429,723	\$ 42,754	\$ 939,510	\$ 18,089,653	\$ 10,624,713

**DANVILLE AREA COMMUNITY COLLEGE  
SUMMARY OF FIXED ASSETS AND DEBT  
UNIFORM FINANCIAL STATEMENT NO. 2  
June 30, 2017**

	<b>Fixed Asset/Debt Account Groups</b>			<b>Fixed Asset/Debt Account Groups</b>
	<b>July 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2017</b>
<b>FIXED ASSETS</b>				
Land	\$ 884,259	\$ 7,125	\$ -	\$ 891,384
Land improvements	5,210,079	45,118	-	5,255,197
Buildings	18,288,110	-	-	18,288,110
Building improvements	41,697,872	100,000	-	41,797,872
Campus lighting	40,955	-	-	40,955
Equipment	15,493,323	97,702	34,927	15,556,098
Construction in progress	100,393	41,615	-	142,008
	<u>81,714,991</u>	<u>291,560</u>	<u>34,927</u>	<u>81,971,624</u>
Accumulated depreciation	42,624,150	1,879,881	34,927	44,469,104
<b>NET FIXED ASSETS</b>	<u>\$ 39,090,841</u>	<u>\$ (1,588,321)</u>	<u>\$ -</u>	<u>\$ 37,502,520</u>
<b>FIXED DEBT</b>				
Bonds payable	\$ 6,270,000	\$ -	\$ 755,000	\$ 5,515,000
Other fixed liabilities	414,161	248,671	293,417	369,415
<b>TOTAL FIXED DEBT</b>	<u>\$ 6,684,161</u>	<u>\$ 248,671</u>	<u>\$ 1,048,417</u>	<u>\$ 5,884,415</u>

**DANVILLE AREA COMMUNITY COLLEGE  
OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT NO. 3  
Year Ended June 30, 2017**

	<b>Education Fund</b>	<b>Operations and Maintenance Fund</b>	<b>Total Operating Funds</b>
<b>OPERATING REVENUES BY SOURCE</b>			
<b>Local Government Revenue</b>			
Local taxes	\$ 3,739,631	\$ 752,506	\$ 4,492,137
CPPRT	436,200	185,943	622,143
Other local revenue	4,679	941	5,620
Total local government revenue	<u>4,180,510</u>	<u>939,390</u>	<u>5,119,900</u>
<b>State Government</b>			
ICCB Base Operating Grant	433,748	166,940	600,688
ICCB Equalization Grant	1,166,593	-	1,166,593
ICCB Career and Technical Education	167,580	-	167,580
Total state government	<u>1,767,921</u>	<u>166,940</u>	<u>1,934,861</u>
<b>Federal Government</b>			
Department of Education	<u>5,967</u>	<u>-</u>	<u>5,967</u>
<b>Student Tuition and Fees</b>			
Tuition	6,043,618	650,000	6,693,618
Fees	1,545,672	-	1,545,672
Less waivers	(1,646,255)	-	(1,646,255)
Total student tuition and fees	<u>5,943,035</u>	<u>650,000</u>	<u>6,593,035</u>
<b>Other Sources</b>			
Facilities revenue	-	80,663	80,663
Investment revenue	15,730	26,585	42,315
Other	137,329	42,829	180,158
Total other sources	<u>153,059</u>	<u>150,077</u>	<u>303,136</u>
<b>TOTAL REVENUE</b>	<u><u>\$ 12,050,492</u></u>	<u><u>\$ 1,906,407</u></u>	<u><u>\$ 13,956,899</u></u>



**DANVILLE AREA COMMUNITY COLLEGE  
OPERATING FUNDS REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT NO. 3 (Continued)  
Year Ended June 30, 2017**

	<u>Education Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Total Operating Funds</u>
<b>OPERATING EXPENDITURES</b>			
<b>BY PROGRAM</b>			
Instruction	\$ 7,367,812	\$ -	\$ 7,367,812
Academic support	968,749	-	968,749
Student services	1,692,606	-	1,692,606
Public service/Continuing education	352,584	-	352,584
Operations and maintenance	-	2,189,420	2,189,420
Institutional support	3,018,893	-	3,018,893
	<u>13,400,644</u>	<u>2,189,420</u>	<u>15,590,064</u>
Total expenditures			
Less: Nonoperating items			
Instructional service contracts	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTED EXPENDITURES</b>	<u>\$ 13,400,644</u>	<u>\$ 2,189,420</u>	<u>\$ 15,590,064</u>
<b>BY OBJECT</b>			
Salaries	\$ 9,160,037	\$ 662,223	\$ 9,822,260
Employee benefits	2,528,297	258,021	2,786,318
Contractual services	324,450	246,022	570,472
General materials and supplies	1,128,472	142,129	1,270,601
Library materials*	91,324	-	91,324
Conference and meeting expenses	107,815	180	107,995
Fixed charges	87,415	63,641	151,056
Utilities	-	797,431	797,431
Capital outlay	-	19,773	19,773
Other	64,158	-	64,158
	<u>13,400,644</u>	<u>2,189,420</u>	<u>15,590,064</u>
Total expenditures			
Less: Nonoperating items			
Instructional service contracts	<u>-</u>	<u>-</u>	<u>-</u>
<b>ADJUSTED EXPENDITURES</b>	<u>\$ 13,400,644</u>	<u>\$ 2,189,420</u>	<u>\$ 15,590,064</u>

\* Non-add line

Excludes SURS on behalf payments of \$7,542,793

**DANVILLE AREA COMMUNITY COLLEGE  
RESTRICTED PURPOSES REVENUES AND EXPENDITURES  
UNIFORM FINANCIAL STATEMENT NO. 4  
Year Ended June 30, 2017**

**REVENUE BY SOURCE**

<b>Total Local Government</b>	\$ <u>6,090</u>
<b>State Government</b>	
ICCB - Adult Education	211,490
Other	120,767
Total state government	<u>332,257</u>
<b>Federal Government</b>	
Department of Education	4,320,181
Department of Labor	1,042,093
Other	64,805
Total federal government	<u>5,427,079</u>
<b>Other Sources</b>	
Tuition and fees	287,645
Other	68,241
Total other sources	<u>355,886</u>
<b>TRANSFERS</b>	<u>153,999</u>
<b>TOTAL RESTRICTED PURPOSES FUND REVENUE</b>	<u>\$ 6,275,311</u>

**EXPENDITURES BY PROGRAM**

Instruction	\$ 555,479
Academic support	-
Student services	342,202
Public service/Continuing education	990,456
Auxiliary services	6,000
Operations and maintenance of plant	-
Institutional support	151,870
Scholarships, grants, and waivers	4,240,732
Transfers	109,317
<b>TOTAL RESTRICTED PURPOSES FUND EXPENDITURES</b>	<u>\$ 6,396,056</u>

**EXPENDITURES BY OBJECT**

Salaries	\$ 857,943
Employee benefits	278,078
Contractual services	213,531
Student financial aid	4,240,732
General materials and supplies	425,964
Library materials *	-
Travel and conference/Meeting expenses	16,751
Fixed charges	146,672
Utilities	10,306
Capital outlay	84,648
Other	12,114
Transfers	109,317
Scholarships, grants, and waivers*	4,240,732
<b>TOTAL RESTRICTED PURPOSES FUND EXPENDITURES</b>	<u>\$ 6,396,056</u>

\*Non-add line

**DANVILLE AREA COMMUNITY COLLEGE  
CURRENT FUNDS EXPENDITURES BY ACTIVITY  
UNIFORM FINANCIAL STATEMENT NO. 5  
Year Ended June 30, 2017**

<b>INSTRUCTION</b>	
Instructional programs	\$ 7,923,291
<b>ACADEMIC SUPPORT</b>	
Library center	428,055
Instructional materials center	8,945
Educational media services	53,202
Academic computing support	244,671
Other	233,876
Total academic support	<u>968,749</u>
<b>STUDENT SERVICES</b>	
Admissions and records	344,866
Counseling and career guidance	838,494
Financial aid administration	248,778
Other	602,670
Total student services	<u>2,034,808</u>
<b>PUBLIC SERVICE/CONTINUING EDUCATION</b>	
Community education	159,950
Customized training (Instructional)	684,447
Community services	138,158
Other	360,485
Total public service/continuing education	<u>1,343,040</u>
<b>AUXILIARY SERVICES</b>	<u>482,777</u>
<b>OPERATIONS AND MAINTENANCE OF PLANT</b>	
Maintenance	537,572
Custodial services	582,819
Grounds	70,227
Campus security	968
Utilities	782,731
Administration	114,147
Other	100,956
Total operations and maintenance of plant	<u>2,189,420</u>
<b>INSTITUTIONAL SUPPORT</b>	
Executive management	688,241
Fiscal operations	312,827
Community relations	300,216
Administrative support services	446,718
Board of trustees	20,146
General institution	1,676,898
Institutional research	166,887
Administrative data processing	459,191
Other	19,872
Total institutional support	<u>4,090,996</u>
<b>SCHOLARSHIPS, STUDENT GRANTS, AND WAIVERS</b>	<u>4,240,732</u>
<b>TOTAL CURRENT FUNDS EXPENDITURES</b>	<u>\$ 23,273,813</u>

- (1) Current funds include: Education; Operations and Maintenance; Auxiliary Enterprises; Restricted Purposes; Audit; Liability, Protection and Settlement; and Board Restricted.  
(2) Excludes SURS on behalf payments of \$7,542,793

**Independent Auditors' Report on the Adult Education and  
Family Literacy Grants Program and Career and Technical Education – Program  
Improvement Grants**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Adult Education and Family Literacy Grants Program and Career and Technical Education – Program Improvement Grants of Danville Area Community College, Community College District No. 507 (the “District”), which comprise the statement of net position as of June 30, 2017, and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related note to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the grant policy guidelines of the Illinois Community College Board's Fiscal Management Manual. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Adult Education and Family Literacy Grants Program and the Career and Technical Education – Program Improvement Grant of Danville Area Community College, Community College District No. 507 as of June 30, 2017, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### **Emphasis of Matter**

The financial statements of the Adult Education and Family Literacy Grants and the Career and Technical Education – Program Improvement Grant are intended to present the net position and changes in net position of only that portion of the business-type activities of Danville Area Community College, Community College District No. 507 that is attributable to the Adult Education and Family Literacy Grants Program and the Career and Technical Education – Program Improvement Grant. These financial statements do not purport to, and do not, present fairly the statement of net position of Danville Area Community College, Community College District No. 507 as of June 30, 2017, or the revenues, expenses, and changes in net position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Adult Education and Family Literacy Grants Program and the Career and Technical Education – Program Improvement Grant basic financial statements. The supplementary schedule on page 113 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole



**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

## **Independent Auditors' Report on Compliance**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Adult Education and Family Literacy Grants Program and the Career and Technical Education – Program Improvement Grant, of Danville Area Community College, Community College District No. 507 (the “District”), which comprise the statement of net position as of June 30, 2017 and the related statement of revenues, expenditures, and changes in net position for the year then ended, and the related note to the financial statements, and have issued our report thereon dated October 16, 2017.

In connection with our audit, nothing came to our attention that caused us to believe that Danville Area Community College, Community College District No. 507 failed to comply with the terms or conditions of the grant policy guidelines of the Illinois Community College Board’s Fiscal Management Manual, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Districts noncompliance with the above-referenced terms or conditions of the grant policy guidelines of the Illinois Community College Board’s Fiscal Management Manual, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the board of trustees and management of Danville Area Community College, Community College District No. 507 and the Illinois Community College Board and is not intended to be and should not be used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

**DANVILLE AREA COMMUNITY COLLEGE  
 CAREER AND TECHNICAL EDUCATION- PROGRAM  
 IMPROVEMENT GRANT  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 Year Ended June 30, 2017**

	<u>Actual</u>
<b>REVENUES</b>	
ICCB Grant	<u>\$ 18,620</u>
 <b>EXPENDITURES</b>	
Materials and supplies	17,015
Conference and meeting expenses	<u>1,605</u>
Total expenditures	<u>18,620</u>
Excess of revenues over expenditures	-
 <b>FUND BALANCE, BEGINNING OF YEAR</b>	 <u>-</u>
 <b>FUND BALANCE, END OF YEAR</b>	 <u><u>\$ -</u></u>

These financial statements should be read only in connection with the accompanying background information on state grant activity and note to financial statements.

**DANVILLE AREA COMMUNITY COLLEGE  
STATE ADULT EDUCATION RESTRICTED FUNDS  
(STATE BASIC AND PERFORMANCE)  
BALANCE SHEET  
June 30, 2017**

**ASSETS**

Cash	\$ 7,130
Intergovernmental receivables	<u>192,870</u>
	<u>\$ 200,000</u>

**LIABILITIES AND NET POSITION**

**LIABILITIES**

Due to other funds	\$ 200,000
--------------------	------------

**NET POSITION**

-

**TOTAL LIABILITIES AND NET POSITION**

\$ 200,000



**DANVILLE AREA COMMUNITY COLLEGE  
STATE ADULT EDUCATION RESTRICTED FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION  
Year Ended June 30, 2017**

	<u>State Basic</u>	<u>Performance</u>	<u>Total</u>
<b>REVENUES</b>			
ICCB Grant	\$ 121,480	\$ 71,390	\$ 192,870
<b>EXPENDITURES</b>			
Instruction	60,339	4,530	64,869
Social work services	10,976	9,076	20,052
Guidance services	11,553	9,076	20,629
Assessment and testing	5,774	6,328	12,102
Literacy services	8,659	10,680	19,339
Total instructional student services	97,301	39,690	136,991
Improvement of instructional services	-	476.00	476.00
General administration	15,803	14,396	30,199
Operation and maintenance of plant services	-	6,103	6,103
Workforce coordination	2,020	3,531	5,551
Data and information services	6,356	7,194	13,550
Total program support	24,179	31,700	55,879
Total expenditures	121,480	71,390	192,870
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	\$ -	\$ -	-
<b>NET POSITION, BEGINNING OF YEAR</b>			
			-
<b>NET POSITION, END OF YEAR</b>			
			\$ -

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
BACKGROUND INFORMATION ON STATE GRANT ACTIVITY**

**RESTRICTED ADULT EDUCATION GRANTS**

**State Basic** - Grant awarded to Adult Education and Family Literacy providers to establish special classes for the instruction of persons of age 21 and over or persons under the age of 21 and not otherwise in attendance in public school for the purpose of providing adults in the community, and other instruction as may be necessary to increase their qualifications for employment or other means of self-support and their ability to meet their responsibilities as citizens including courses of instruction regularly accepted for graduation from elementary or high schools and for Americanization and General Education Development Review classes. Included in this grant are funds for support services, such as student transportation and childcare facilities or provision.

**Performance** - Grant awarded to Adult Education and Family Literacy providers based on performance outcomes.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
STATE ADULT EDUCATION RESTRICTED FUNDS, AND CAREER AND TECHNICAL  
EDUCATION – PROGRAM IMPROVEMENT GRANT  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2017**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying statements relate to specific grants awarded by the Illinois Community College Board (ICCB) and include only those transactions resulting from Adult Education and Family Literacy. These transactions are accounted for in the Restricted Purposes Fund.

**BASIS OF ACCOUNTING**

The statements have been prepared on the full accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America.

**DANVILLE AREA COMMUNITY COLLEGE  
 ICCB COMPLIANCE STATEMENT FOR THE  
 STATE ADULT EDUCATION RESTRICTED FUNDS  
 EXPENDITURE AMOUNTS AND PERCENTAGES FOR ICCB GRANT FUNDS ONLY  
 Year Ended June 30, 2017**

<u>State Basic</u>	<u>Audited Expenditure Amount</u>	<u>Actual Expenditure Percentage</u>
Instruction (45% minimum required)	\$ 60,339	49.67%
General Administration (15% maximum allowed)	\$ 15,803	13.01%

**SUPPLEMENTARY ICCB SCHEDULES**

**Independent Accountants' Report on Enrollment Data  
and Other Bases Upon Which Claims are Filed**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

We have examined the accompanying Schedule of Enrollment Data and Other Bases Upon Which Claims are Filed and the Reconciliation of Semester Credit Hours of Danville Area Community College, Community College District No. 507 (College) for the year ended June 30, 2017. The College's management is responsible for the preparation and presentation of the schedules in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual. Our responsibility is to express an opinion on the schedules based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform and perform the examination to obtain reasonable assurance about whether the schedules are in accordance with guidelines guidelines of the Illinois Community College Board's Fiscal Management Manual, in all material respects. An examination involves performing procedures to obtain evidence about the schedules. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material misstatement of the schedules, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination disclosed two deviations from the Illinois Community College Board (ICCB) Fiscal Management Manual which states that students shall be certified by their instructors as being in attendance at midterm. The College reported one individual as reimbursable to ICCB, however, the student had withdrawn from class before the mid-term cut-off. The College reported another student to ICCB as non-reimbursable when the student should have been left off the listing completely as they dropped the course the first day of the semester. These deviations could lead to overstatement of the reimbursable credit hours, which could result in the College being over awarded by ICCB.

In our opinion, except for the deviations from the criteria described in the preceding paragraph, the schedules for the year ended June 30, 2017, are presented in accordance with the guidelines of the Illinois Community College Board's Fiscal Management Manual, in an all material respects.



**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

**DANVILLE AREA COMMUNITY COLLEGE  
SCHEDULE OF ENROLLMENT DATA AND OTHER BASES  
UPON WHICH CLAIMS ARE FILED  
Year Ended June 30, 2017**

Categories	Total Reimbursable Semester Credit Hours by Term							
	Summer		Fall		Spring		Total	
	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted	Unrestricted	Restricted
Baccalaureate	2,417.0	-	11,438.0	22.0	11,437.0	-	25,292.0	22.0
Business Occupational	206.0	-	1,645.0	-	1,438.0	-	3,289.0	-
Technical Occupational	265.5	-	2,867.5	-	2,763.0	-	5,896.0	-
Health Occupational	535.0	-	2,770.0	-	2,732.5	-	6,037.5	-
Remedial Developmental	132.0	-	788.0	-	676.0	-	1,596.0	-
Adult Basic Education/ Adult Secondary Education	-	268.0	-	909.0	12.0	1,062.0	12.0	2,239.0
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<b>3,555.5</b>	<b>268.0</b>	<b>19,508.5</b>	<b>931.0</b>	<b>19,058.5</b>	<b>1,062.0</b>	<b>42,122.5</b>	<b>2,261.0</b>

	Attending In-District	Attending Out-of-District on Chargeback or Contractual Agreement	Total
Semester Credit Hours	39,112.5	716.0	39,828.5
District 2016 Equalized Assessed Valuation	\$1,016,037,986		

	Total Reimbursable Dual Credit and Dual Enrollment Hours by Term			Total
	Summer	Fall	Spring	
Dual Credit Hours	352.0	3,410.0	3,300.0	7,062.0

Categories	Total Reimbursable Correctional Semester Credit Hours by Term			
	Summer	Fall	Spring	Total
Baccalaureate	420.0	641.0	843.0	1,904.0
Business Occupational	-	-	-	-
Technical Occupational	-	-	-	-
Health Occupational	-	-	-	-
Remedial Developmental	-	-	-	-
Adult Basic Education/ Adult Secondary Education	-	-	-	-
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<b>420.0</b>	<b>641.0</b>	<b>843.0</b>	<b>1,904.0</b>

Signatures:   
 Chief Executive Officer (CEO)

  
 Chief Financial Officer (CFO)

**DANVILLE AREA COMMUNITY COLLEGE  
RECONCILIATION OF TOTAL REIMBURSABLE  
SEMESTER CREDIT HOURS  
Year Ended June 30, 2017**

<b>Categories</b>	<b>Total Reimbursable Credit Hours</b>	<b>Total Reimbursable Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Baccalaureate	25,309.0	25,314.0	(5.00)
Business Occupational	3,289.0	3,289.0	-
Technical Occupational	5,896.0	5,896.0	-
Health Occupational	6,037.5	6,037.5	-
Remedial Developmental	1,596.0	1,596.0	-
Adult Basic Education/ Adult Secondary Education	2,251.0	2,251.0	-
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<u>44,378.5</u>	<u>44,383.5</u>	<u>(5.0)</u>

**RECONCILIATION OF IN-DISTRICT/CHARGEBACK  
REIMBURSABLE CREDIT HOURS**

	<b>Total Attending</b>	<b>Total Attending as Certified to the ICCB</b>	<b>Difference</b>
Reimbursable In-District Residents	39,112.5	39,112.5	-
Reimbursable Out-of District on Chargeback or Contractual Agreement	716.0	716.0	-
<b>Total</b>	<u>39,828.5</u>	<u>39,828.5</u>	<u>-</u>

**RECONCILIATION OF TOTAL REIMBURSABLE CORRECTIONAL SEMESTER  
CREDIT HOURS**

<b>Categories</b>	<b>Total Reimbursable Correctional Credit Hours</b>	<b>Total Reimbursable Correctional Credit Hours Certified to the ICCB</b>	<b>Difference</b>
Baccalaureate	1,904.00	1,904.00	-
Business Occupational	-	-	-
Technical Occupational	-	-	-
Health Occupational	-	-	-
Remedial Developmental	-	-	-
Adult Basic Education/Adult Secondary Education	-	-	-
<b>TOTAL CREDIT HOURS CERTIFIED</b>	<u>1,904.00</u>	<u>1,904.00</u>	<u>-</u>



**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
VERIFICATION OF STUDENT RESIDENCY  
Year Ended June 30, 2017**

The following procedures detail the process for verifying the residency status of the students of Danville Area Community College, Community College District No. 507.

**Applicants**

The residency status on application forms is normally determined by the address the student uses on his application form for admission. If the address is an in-district address, then the student is tagged by the College's Admissions Office as "1" for in-district. Likewise, if there is an out-of-district or out-of-state address, then a code of "3" or "5" is used, respectively.

However, there are some exceptions to the above-mentioned procedures. If a student indicates an in-district address on the application but lists an out-of-district high school and the student is still in high school or a recent high school graduate, then the student will be tagged as an out-of-district student. The student will then have to provide residency proof, such as a copy of a driver's license, voter registration card, property tax statement, or other valid item providing verification of the student's address.

**Students**

If a student already in the College's computer system is changing an address from out-of-district to in-district, the College will change the address but not change the residency code. In order to change an out-of-district status to an in-district status, the student must complete the Request for Change of Residency paperwork and provide the required documentation. The request is then reviewed by the Director of Admissions and Records who makes the decision based upon pre-determined, allowable reasons.

**Returned Mail**

When any mail is returned to the College in which the post office has provided a label indicating the forwarding address is out-of-district or out-of-state, the College will correct the address in the computer system and change the residency code to the proper code.

**DANVILLE AREA COMMUNITY COLLEGE  
 CERTIFICATE OF CHARGEBACK  
 REIMBURSEMENT FOR FISCAL YEAR 2018  
 Year Ended June 30, 2017**

**All Fiscal Year 2017 Non-Capital Audited Operating  
 Expenditures From the Following Funds:**

Education	\$ 13,400,644
Operations and maintenance fund	2,169,647
Bond and interest fund	957,210
Restricted purposes fund	6,202,091
Audit fund	43,100
Liability, protection and settlement fund	<u>877,133</u>
 Total non-capital expenditures	 <u>23,825,296</u>
 Depreciation on capital outlay expenditures from sources other than state and federal funds	  <u>710,908</u>
 Total costs included	  <u>24,536,204</u>
 Total certified semester credit hours for FY 2017	  <u>44,384</u>
 Per capita cost	  <u>552.82</u>
 All FY 2017 state and federal operating grants for non-capital expenditures, except ICCB grants	  <u>6,202,091</u>
 Fiscal year state and federal grants per semester credit hour	  <u>139.74</u>
 District's average ICCB grant rate for fiscal year 2018	  <u>29.25</u>
 District's student tuition and fee rate per semester credit hour for fiscal year 2018	  <u>150.00</u>
 Chargeback reimbursement per semester credit hour	  <u><u>\$ 233.83</u></u>

Approved: *Jammy Clark-Belancourt*  
 Chief Financial Officer

Approved: *[Signature]* 9/27/17  
 President

**Independent Auditors' Report on  
Illinois State Library Literacy Grant  
Project AVL-17-031**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

We have audited the accompanying financial statement of the Illinois State Library Literacy Grant Project AVL-17-031 of Danville Area Community College, Community College District No. 507 (College) which comprises the statement of revenues, expenditures and changes in fund balance – budget and actual for the year ended June 30, 2017, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the regulatory basis of accounting of the Illinois State Library Literacy Grant Project AVL-17-031; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditors' Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidelines for the Illinois State Library Literacy Grant Project AVL-17-031 issued by the Illinois Secretary of State. Those standards and guidelines require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the Illinois State Library Literacy Grant Project AVL-17-031 of Danville Area Community College Community College District No. 507 for the year ended June 30, 2017, in accordance with the regulatory basis of accounting of the Illinois State Library Literacy Grant Project AVL-17-031.

**Basis of Accounting**

We draw attention to the notes to financial statements, which describe the basis of accounting. The financial statement is prepared on the regulatory basis of accounting as required by the Illinois State Library Literacy Grant Project AVL-17-031, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Library Literacy Grant Project AVL-17-031. Our opinion is not modified with respect to that matter.

**Restriction of Use**

The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual was prepared for the purpose of complying with the terms of the Illinois State Library Literacy Grant Project AVL-17-031 and is not intended to be a complete presentation of the College's revenues and expenditures in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

**DANVILLE AREA COMMUNITY COLLEGE  
ILLINOIS STATE LIBRARY LITERACY GRANT  
PROJECT AVL-17-031  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
Year Ended June 30, 2017**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Grant revenue	\$ 53,260	\$ 53,260	\$ -
<b>EXPENDITURES</b>			
Salaries	26,250	28,089	(1,839)
Employee benefits	12,384	13,479	(1,095)
Contractual services	2,500	2,481	19
Materials and supplies	10,476	7,600	2,876
Travel	1,650	1,611	39
Total expenditures	53,260	53,260	-
Excess of revenues over expenditures (Budgetary Basis)	\$ -	-	\$ -
<b>FUND BALANCE, BEGINNING OF YEAR</b>		-	
<b>FUND BALANCE, END OF YEAR</b>		\$ -	

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
ILLINOIS STATE LIBRARY LITERACY GRANT  
PROJECT AVL-17-031  
NOTE TO FINANCIAL STATEMENT  
June 30, 2017**

The Illinois State Library Literacy Grant program of the College develops various reading programs as well as remedial reading programs as allowed by grant guidelines. Following is a summary of the more significant policies.

**Fund accounting**

The operations of the Illinois State Library Literacy Grant are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, revenues and expenditures.

**Fixed assets**

The Literacy Grant requires that written consent and approval be obtained before purchasing any equipment which exceeds a value of \$500. These purchases remain property of the State of Illinois.

**Basis of accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded when incurred or when obligations are established by executing purchase orders of firm contracts.

**Budgets**

Budgeted amounts used for comparison in this report were obtained from the approved grant and adjusted for any amendments.

This information is an integral part of the accompanying financial statement.

**FEDERAL REPORTING SECTION**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Danville Area Community College, Community College District No. 507 (College) and its discretely presented component unit, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 16, 2017. The financial statements of the College's discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the College's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Trustees  
Danville Area Community College  
Community College District No. 507  
Danville, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited Danville Area Community College, Community College District No. 507's (College) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the College's major federal programs for the year ended June 30, 2017. The College's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the College's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the College's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the College's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

### **Report on Internal Control Over Compliance**

Management of the College is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the College's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the College's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Danville, Illinois  
October 16, 2017

**DANVILLE AREA COMMUNITY COLLEGE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2017**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<b>STUDENT FINANCIAL AID ASSISTANCE CLUSTER:</b>				
<b>Department of Education Direct Programs</b>				
Federal Pell Grant Program	84.063*		\$ -	\$ 3,556,907
Federal Direct Student Loans	84.268*		-	982,392
Federal Supplemental Educational Opportunity Grants	84.007*		-	100,144
Federal Work-Study Program	84.033*		-	153,180
Total Department of Education Direct Programs			<u>-</u>	<u>4,792,623</u>
<b>TRIO CLUSTER:</b>				
<b>Department of Education Direct Programs</b>				
TIO Student Support Services	84.042		-	<u>266,375</u>
<b>Passed through Illinois Community College Board:</b>				
VE - Perkins - Title II C - Post Secondary	84.048	CTE50717	-	<u>195,133</u>
Adult Education - Basic	84.002	F5070117	-	<u>96,550</u>
Total ICCB			<u>-</u>	<u>291,683</u>
<b>Total U.S. Department of Education</b>			<u>-</u>	<u>5,350,681</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through Illinois State Board of Education:				
Child & Adult Care Food Program	10.558	N/A	-	<u>32,598</u>
<b>Total U.S. Department of Agriculture</b>			<u>-</u>	<u>32,598</u>
<b>SMALL BUSINESS ADMINISTRATION</b>				
Passed through Illinois Department of Commerce and Community Affairs:				
Small Business Development Center	59.037	16-561155; 17-181155	-	<u>64,805</u>
<b>Total Small Business Administration</b>			<u>-</u>	<u>64,805</u>
<b>U.S. DEPARTMENT OF LABOR</b>				
Passed through Illinois Department of Commerce and Economic Opportunities (DCEO):				
Workforce Investment Act - IE	17.278*	16-651018	-	61,993
Workforce Investment Act - Adult Program	17.258*	15-681018; 16-681018	-	296,806
Workforce Investment Act - Dislocated Worker (ID)	17.278*	15-681018; 16-681018	-	317,824
Workforce Investment Act - Youth Program (IY)	17.259*	15-681018; 16-681018	67,707	387,524
<b>Total WIA Cluster, DCEO and US Department of Labor</b>			<u>67,707</u>	<u>1,064,147</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Passed through Illinois Department of Human Services:				
Childcare and Development Block Grant	93.575	80408490W	-	784
<b>Total U.S. Department of Health and Human Services</b>			<u>-</u>	<u>784</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<b>\$ 67,707</b>	<b>\$ 6,513,015</b>

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrued basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 – FEDERAL NON-CASH ASSISTANCE**

Danville Area Community College did not receive any federally provided insurance, or federal loan or loan guarantees.

**NOTE 3 – INDIRECT COST RATE**

Danville Area Community College has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

This information is an integral part of the accompanying financial schedule.

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2017**

**Section I – Summary of Auditors’ Results**

**Financial Statements**

Type of auditors’ report issued: unmodified opinion

Internal control over financial reporting:

- Material weakness identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weaknesses?  Yes  None reported

Noncompliance material to financial statements noted?  Yes  No

**Federal Awards**

Internal control over major programs:

- Material weakness identified?  Yes  No
- Significant deficiencies identified that are not considered to be material weakness?  Yes  None reported

Type of auditors’ report issued on compliance for major programs: unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)??  Yes  No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.063	Federal Student Financial Assistance Programs – PELL Grants
84.007	Federal Student Financial Assistance Programs – SEOG
84.033	Federal Student Financial Assistance Programs – Federal Work Study
84.268	Federal Student Financial Assistance Programs – Federal Direct Student Loans
17.258	WIOA VCW Adult
17.259	WIOA VCW Youth
17.278	WIOA VCW Dislocated Worker and 1E

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000  
Auditee qualified as low-risk auditee?  Yes  No

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2017**

**Section II – Financial Statement Findings**

None

**Section III – Federal Award Findings and Questioned Costs**

None

**DANVILLE AREA COMMUNITY COLLEGE  
COMMUNITY COLLEGE DISTRICT NO. 507  
SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2017**

None